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**Mammoth Point Homeowners  
Association**

**Forecasted Statement of Revenues  
and Expenses for the Year  
Ending December 31, 2012**

**&**

**Assessment and Reserve Funding  
Disclosures as of November 5, 2011**

**Mammoth Point Homeowners Association  
Forecasted Statement of Revenues and Expenses  
For The Year Ending December 31, 2012**

	<u>Operating Fund</u>	<u>Replacem. Fund</u>	<u>Total</u>
<b>Revenues:</b>			
Maintenance Assessments	\$195,513	\$79,244	\$274,757
Late Charges	500		500
Interest Income	400		400
Vending Income	50		50
<b>Total Revenues</b>	<b>196,463</b>	<b>79,244</b>	<b>275,707</b>
<b>Administrative Expenses:</b>			
Accounting Services	8,500		8,500
Board & Meeting Expenses	450		450
Insurance - Earthquake	9,700		9,700
Insurance	13,500		13,500
Legal Services	400		400
Management	68,708		68,708
Office Supplies & Postage	1,550		1,550
Taxes	45		45
Telephone	2,800		2,800
<b>Total Administrative Expenses</b>	<b>105,653</b>	<b>0</b>	<b>105,653</b>
<b>Maintenance &amp; Supplies:</b>			
Buildings	10,000		10,000
Equipment Maintenance & Fuel	9,000		9,000
Grounds	3,700		3,700
Jacuzzi & Sauna	2,589		2,589
Snow Removal	15,379		15,379
Tools & Equipment	500		500
Trash Removal	6,650		6,650
<b>Total Maintenance &amp; Supplies</b>	<b>47,818</b>	<b>0</b>	<b>47,818</b>
<b>Utilities:</b>			
Electricity	12,600		12,600
Propane	12,850		12,850
Water & Sewer	16,820		16,820
<b>Total Utilities</b>	<b>42,270</b>	<b>0</b>	<b>42,270</b>
<b>Major Projects/Replacements:</b>			
Wood Entry Decks		25,000	25,000
<b>Total Major Projects/Replacements</b>	<b>0</b>	<b>25,000</b>	<b>25,000</b>
<b>Total Expenses</b>	<b>195,741</b>	<b>25,000</b>	<b>220,741</b>
<b>Excess Revenues Over Expenses</b>	<b>722</b>	<b>54,244</b>	<b>54,966</b>
<b>Forecasted Fund Balance at Start of Year</b>	<b>0</b>	<b>127,000</b>	<b>127,000</b>
<b>Forecasted Fund Balance at End of Year</b>	<b>\$722</b>	<b>\$181,244</b>	<b>\$181,966</b>

# **Mammoth Point Homeowners Association**

## **Notes To Forecasted Statement of Revenues and Expenses**

### **SUMMARY OF SIGNIFICANT FORECAST ASSUMPTIONS**

This financial forecast presents, to the best of the Board of Governors knowledge and belief, the Association's expected results of operations and changes in operating and replacement fund balances for the forecast period. Accordingly, the forecast reflects the Board's judgement as of November 5, 2011, the date of this forecast, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that the Board believes are significant to the forecast. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

#### **A. Income and Owner Assessments**

Owner assessments for the year ending December 31, 2012 will increase approximately 3.5% effective January 1, 2012.

Owner assessments are the major source of Association income. In the event that actual expenses are significantly higher than those forecasted, it may be necessary to increase assessments or levy a special assessment during the forecast period.

Interest Income is based on current rates for each cash account.

#### **B. Expenses**

Insurance and on site management are two of the most significant expenses of the Association. The Board anticipates a slight decrease in the insurance expense and a slight increase in management.

Snow removal expense is difficult to forecast. The Board has assumed that the winter will have an average amount of snowfall. An unusually severe winter could necessitate a special assessment to pay for snow removal.

The Association actively pursues delinquent owners using a variety of available legal remedies.

Replacements and or major repairs to the common area components are based on the Board's plans for these items during the forecast period.

Other expenses are based on prior year's actual costs adjusted for minimal anticipated changes.

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This financial forecast has been prepared on the basis of the generally accepted accounting principles expected to be used in the financial statements covering the forecast period as described below.

#### **A. Accounting Method**

The Association uses fund accounting, which requires that funds, such as operating funds and funds designated for future repairs and replacements, be classified separately for accounting and reporting purposes.

## **Mammoth Point Homeowners Association Notes To Forecasted Statement of Revenues and Expenses**

Disbursements from the operating fund are generally at the discretion of the Board of Governors and the property manager. Disbursements from the replacement fund are designated by the Board of Governors.

### **B. Operating Fund**

The Board's policy is to allocate to the operating fund interest earned on all cash accounts, all income tax expense, and all delinquent or uncollectible receivables.

### **C. Recognition of Assets and Depreciation Policy**

Real property and common areas acquired from the developer and related improvements to such property are not recorded in the Association's financial statement because those properties are owned by the individual unit owners in common and not by the Association. Any real or personal property purchased by the Association to which the Association holds title and which could be disposed of for cash or claims to cash is capitalized at cost and depreciated over its estimated useful life using the straight-line method of depreciation. Personal property purchased for the replacement fund is expensed in the year of acquisition.

**Mammoth Point Homeowners Association  
Assessment and Reserve Funding Disclosures  
As of November 5, 2011**

A. Current Assessments

Regular monthly common area assessment rates effective as of January 1, 2012 are shown on page 6.

No special or emergency assessments have been scheduled to be imposed and/or have been approved by the members at this time.

B. Reserve Study

The Board of Governors commissioned a study of the major components of the common areas in October 2011. The study was performed by Stone Mountain Corporation, a firm that specializes in reserve studies. The list of major components, estimated replacement cost of each component and total and remaining useful life of each component data which appear on the following pages is an excerpt from that study. A complete copy of the reserve study is available to any owner upon request.

C. Projected Reserve Account Balances and Funding Policies

Based upon the most recent information available to the Board, projected reserve account balances will be sufficient at the end of each year to meet the association's obligation to repair and/or replace the major components of the common areas without additional assessments provided the association continues to fund the reserves in accordance with the reserve study.

D. Replacement Fund Components

The major components of the common areas which have been identified are listed on the following pages.

There are no components which have been identified which are not included in the funding data listed above. However, there may be components of the common areas which were not included because no replacement or major repair of the item is contemplated in the next thirty years.

At this time, the Board does not plan to defer the repair or replacement of any major components that are in need of replacement.

E. Current Funding Levels

As of December 31, 2011, the projected cash balance in the replacement fund is \$127,000. As of the same date, the balance required in the replacement fund to be 100% funded would be \$619,102. Therefore, the replacement fund is 20.5% funded. (\$127,000/\$619,102). The unfunded liability per unit is approximately \$13,670.

The estimated percent funded for the next five years is listed below:

Fiscal Year Ending:	2012	2013	2014	2015	2016
Estimated Amount to be 100% Funded	\$757,209	\$769,870	\$852,075	\$926,986	\$924,154
Projected Replacement Fund Cash	\$181,244	\$145,227	\$223,303	\$292,298	\$284,494
Projected Percent Funded Estimate	23.9%	18.9%	26.2%	31.5%	30.8%

**Mammoth Point Homeowners Association  
Assessment and Reserve Funding Disclosures  
As of November 5, 2011**

This information should not be construed to require the Board to fund reserves to any specific level.

**F. Outstanding Loans**

As of the above date, the association has no outstanding loans to third parties.

**Notes:**

- A. "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement. Replacement costs have been increased annually by an inflation rate of 3%.
  
- B. The data included herein contains projected costs thirty years into the future. There will be differences between these projected costs and actual costs because circumstances do not always occur as expected.
  
- C. For the purposes of this report, the amount of reserves needed to be accumulated for a component at a given time is computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component.

**Mammoth Point Homeowners Association  
Regular Monthly Common Area Assessments as of January 1, 2012**

<b>Unit No.</b>	<b>Regular Assessment</b>
101	\$756.02
102	\$756.02
103	\$756.02
104	\$756.02
105	\$540.01
106	\$540.01
107	\$540.01
108	\$540.01
109	\$540.01
110	\$540.01
111	\$540.01
112	\$540.01
113	\$540.01
114	\$540.01
115	\$540.01
116	\$540.01
117	\$540.01
118	\$540.01
119	\$756.02
120	\$756.02
121	\$756.02
122	\$756.02
123	\$756.02
124	\$756.02
125	\$756.02
126	\$756.02
127	\$540.01
128	\$540.01
129	\$540.01
130	\$540.01
131	\$540.01
132	\$540.01
133	\$756.02
134	\$756.02
135	\$756.02
136	\$756.02
<b>Total</b>	<b>\$22,896.52</b>

## Optimized Cash Flow Analysis for Mammoth Point Condominium Homeowners Association

RESERVE COMPONENTS	Estimated Useful Life (years)	Estimated Remaining Life (years)	Estimated Current Cost to Replace	Fiscal Year Beginning Jan 1, 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017
<b>ROOFING</b>									
Composite Shingle Roof	25	9	\$154,270						
Roof Preventative Maintenance	3	1	\$4,320		\$4,476			\$4,976	
Chimney Caps/Spark Arresters	25	12	\$9,000						
<b>PAINTING</b>									
Wood Trim/Siding - Paint	6	4	\$75,000					\$86,397	
Wood Trim/Siding Exposed Sides	6	2	\$6,500			\$6,976			
<b>EXTERIOR WOOD</b>									
Wood Siding \$5K Repl w/ Paint	6	4	\$5,000					\$5,760	
Balconies - Replace (All)	35	29	\$171,000						
Wood Stairs & Rails 2011	35	34	\$33,000						
Wood Entry Decks 2012	35	0	\$25,000	\$25,000					
Wood Rail Fences	35	1	\$10,060		\$10,422				
<b>STREETS &amp; DRIVEWAYS</b>									
Asphalt Seal/Crackfill 2011	2	1	\$7,300		\$7,563		\$8,117		\$8,712
Asphalt Patch (Partial Areas)	2	1	\$3,830		\$3,968		\$4,259		\$4,571
Asphalt Petromat Overlay - Streets	22	7	\$70,260						
Asphalt Overlay - Upper Parking	22	12	\$14,860						
Asphalt Paths near Spa - (2011)	20	19	\$3,185						
Asphalt Paths (Other) - Replace	20	8	\$5,230						
<b>SPA</b>									
Spa Resurface (2009)	12	9	\$12,000						
Spa Heater (2009)	10	7	\$3,400						
Spa Filter (2009)	10	7	\$1,100						
Spa Pumps (2009)	8	5	\$2,000						\$2,387
Spa Chemical Feeder	10	7	\$2,800						
Spa Skimmer - Replace	30	27	\$1,800						
Spa Restrooms & Floor Drains	One-time	1	\$45,000		\$46,620				
Spa Restrooms Renovate	25	26	\$6,000						
Spa Iron Gates - Replace	25	14	\$2,000						
<b>BUILDING MISCELLANEOUS</b>									
Interior Residence Plumbing	45	12	\$346,520						
<b>MANAGER'S UNIT</b>									
Manager's Unit Flooring 2010	15	13	\$4,950						
Manager's Unit - Appliances	20	10	\$3,000						
Manager's Unit - Interior Paint	10	8	\$2,000						
Manager's Unit - Renovate	30	15	\$8,500						
<b>EQUIPMENT</b>									
Case Skip Loader 621D - Used	27	19	\$129,600						
Snowblowers (2)	6	5	\$3,000						\$3,580
<b>LANDSCAPE</b>									
Tree Trim/Remove	4	3	\$3,500				\$3,892		
Irrigation Backflow Valve	22	16	\$1,000						
<b>MISCELLANEOUS</b>									
Concrete Block Retaining Wall	45	1	\$43,500		\$45,066				
RR Tie Retaining Walls (10%)	5	3	\$2,565				\$2,852		
Custom "Mammoth Point" Sign	20	6	\$1,600						
Laundry - Washer (1) & Dryer (1)	15	4	\$500					\$576	
Fire Extinguishers - Replace 2011	5	4	\$1,200					\$1,382	
Inflation factor applied each year				1.000	1.036	1.073	1.112	1.152	1.193
Estimated total reserve expense (Costs adjusted for Inflation)				\$25,000	\$118,115	\$6,976	\$19,120	\$99,091	\$19,250
<b>CASH FLOW FORECASTS</b>									
Annual reserve funding	<b>RECOMMENDED</b> →			\$79,244	\$82,097	\$85,053	\$88,115	\$91,287	\$94,573
Special Assessment									
After-tax interest earnings (on reserve account)				\$0	\$0	\$0	\$0	\$0	\$0
Gross reserve account income				\$79,244	\$82,097	\$85,053	\$88,115	\$91,287	\$94,573
Annual reserve expense (from total above)				\$25,000	\$118,115	\$6,976	\$19,120	\$99,091	\$19,250
Net annual reserve income (reserve expense - reserve income)				\$54,244	(\$36,018)	\$78,077	\$68,995	(\$7,804)	\$75,323
Reserve Acct - Beginning of year				\$127,000	\$181,244	\$145,227	\$223,303	\$292,298	\$284,494
Reserve Account - End of year				\$181,244	\$145,227	\$223,303	\$292,298	\$284,494	\$359,817



**Optimized Cash Flow Analysis for Mammoth Point Condominium Homeowners Association**

<b>RESERVE COMPONENTS</b>	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026
<b>ROOFING</b>									
Composite Shingle Roof				\$212,090					
Roof Preventative Maintenance		\$5,534			\$6,153			\$6,842	
Chimney Caps/Spark Arresters							\$13,758		
<b>PAINTING</b>									
Wood Trim/Siding - Paint					\$106,822				
Wood Trim/Siding Exposed Sides			\$8,626						\$10,665
<b>EXTERIOR WOOD</b>									
Wood Siding \$5K Repl w/ Paint					\$7,121				
Balconies - Replace (All)									
Wood Stairs & Rails 2011									
Wood Entry Decks 2012									
Wood Rail Fences									
<b>STREETS &amp; DRIVEWAYS</b>									
Asphalt Seal/Crackfill 2011		\$9,351		\$10,036		\$10,772		\$11,561	
Asphalt Patch (Partial Areas)		\$4,906		\$5,265		\$5,651		\$6,066	
Asphalt Petromat Overlay - Streets		\$89,997							
Asphalt Overlay - Upper Parking							\$22,716		
Asphalt Paths near Spa - (2011)									
Asphalt Paths (Other) - Replace			\$6,940						
<b>SPA</b>									
Spa Resurface (2009)				\$16,498					
Spa Heater (2009)		\$4,355							
Spa Filter (2009)		\$1,409							
Spa Pumps (2009)								\$3,167	
Spa Chemical Feeder		\$3,587							
Spa Skimmer - Replace									
Spa Restrooms & Floor Drains									
Spa Restrooms Renovate									
Spa Iron Gates - Replace									\$3,281
<b>BUILDING MISCELLANEOUS</b>									
Interior Residence Plumbing							\$529,719		
<b>MANAGER'S UNIT</b>									
Manager's Unit Flooring 2010								\$7,839	
Manager's Unit - Appliances					\$4,273				
Manager's Unit - Interior Paint			\$2,654						
Manager's Unit - Renovate									
<b>EQUIPMENT</b>									
Case Skip Loader 621D - Used									
Snowblowers (2)						\$4,427			
<b>LANDSCAPE</b>									
Tree Trim/Remove		\$4,483				\$5,164			
Irrigation Backflow Valve									
<b>MISCELLANEOUS</b>									
Concrete Block Retaining Wall									
RR Tie Retaining Walls (10%)			\$3,404					\$4,062	
Custom "Mammoth Point" Sign	\$1,978								
Laundry - Washer (1) & Dryer (1)									
Fire Extinguishers - Replace 2011				\$1,650					\$1,969
Inflation factor applied each year	1.236	1.281	1.327	1.375	1.424	1.476	1.529	1.584	1.641
Estimated total reserve expense	\$1,978	\$123,622	\$21,624	\$245,539	\$124,369	\$26,014	\$566,193	\$39,537	\$15,915
<b>CASH FLOW FORECASTS</b>									
Annual reserve funding	\$97,978	\$101,505	\$105,159	\$108,945	\$112,867	\$116,930	\$121,139	\$125,500	\$130,018
Special Assessment									
After-tax interest earnings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross reserve account income	\$97,978	\$101,505	\$105,159	\$108,945	\$112,867	\$116,930	\$121,139	\$125,500	\$130,018
Annual reserve expense	\$1,978	\$123,622	\$21,624	\$245,539	\$124,369	\$26,014	\$566,193	\$39,537	\$15,915
Net annual reserve income	\$96,000	(\$22,117)	\$83,535	(\$136,594)	(\$11,502)	\$90,916	(\$445,054)	\$85,963	\$114,103
Reserve Acct - Beginning of year	\$359,817	\$455,816	\$433,699	\$517,234	\$380,640	\$369,138	\$460,054	\$15,000	\$100,963
<b>Reserve Account - End of year</b>	<b>\$455,816</b>	<b>\$433,699</b>	<b>\$517,234</b>	<b>\$380,640</b>	<b>\$369,138</b>	<b>\$460,054</b>	<b>\$15,000</b>	<b>\$100,963</b>	<b>\$215,067</b>

## Optimized Cash Flow Analysis for Mammoth Point Condominium Homeowners Association

RESERVE COMPONENTS	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	Fiscal Year 2030	Fiscal Year 2031	Fiscal Year 2032	Fiscal Year 2033	Fiscal Year 2034	Fiscal Year 2035
<b>ROOFING</b>									
Composite Shingle Roof									
Roof Preventative Maintenance		\$7,607			\$8,459			\$9,406	
Chimney Caps/Spark Arresters									
<b>PAINTING</b>									
Wood Trim/Siding - Paint		\$132,074						\$163,296	
Wood Trim/Siding Exposed Sides						\$13,186			
<b>EXTERIOR WOOD</b>									
Wood Siding \$5K Repl w/ Paint		\$8,805						\$10,886	
Balconies - Replace (All)									
Wood Stairs & Rails 2011									
Wood Entry Decks 2012									
Wood Rail Fences									
<b>STREETS &amp; DRIVEWAYS</b>									
Asphalt Seal/Crackfill 2011	\$12,408		\$13,318		\$14,294		\$15,342		\$16,466
Asphalt Patch (Partial Areas)	\$6,510		\$6,987		\$7,500		\$8,049		\$8,639
Asphalt Petromat Overlay - Streets									
Asphalt Overlay - Upper Parking									
Asphalt Paths near Spa - (2011)					\$6,237				
Asphalt Paths (Other) - Replace									
<b>SPA</b>									
Spa Resurface (2009)							\$25,219		
Spa Heater (2009)			\$6,203						
Spa Filter (2009)			\$2,007						
Spa Pumps (2009)							\$4,203		
Spa Chemical Feeder			\$5,108						
Spa Skimmer - Replace									
Spa Restrooms & Floor Drains									
Spa Restrooms Renovate									
Spa Iron Gates - Replace									
<b>BUILDING MISCELLANEOUS</b>									
Interior Residence Plumbing									
<b>MANAGER'S UNIT</b>									
Manager's Unit Flooring 2010									
Manager's Unit - Appliances									
Manager's Unit - Interior Paint				\$3,780					
Manager's Unit - Renovate	\$14,448								
<b>EQUIPMENT</b>									
Case Skip Loader 621D - Used					\$253,770				
Snowblowers (2)			\$5,473						\$6,767
<b>LANDSCAPE</b>									
Tree Trim/Remove	\$5,949					\$6,853			\$7,895
Irrigation Backflow Valve		\$1,761							
<b>MISCELLANEOUS</b>									
Concrete Block Retaining Wall									
RR Tie Retaining Walls (10%)				\$4,848					\$5,786
Custom "Mammoth Point" Sign									
Laundry - Washer (1) & Dryer (1)					\$979				
Fire Extinguishers - Replace 2011					\$2,350				
Inflation factor applied each year	1.700	1.761	1.824	1.890	1.958	2.029	2.102	2.177	2.256
Estimated total reserve expense	\$39,315	\$150,247	\$39,096	\$8,628	\$300,442	\$13,186	\$52,813	\$183,588	\$45,553
<b>CASH FLOW FORECASTS</b>									
Annual reserve funding	\$134,699	\$139,548	\$144,572	\$149,777	\$155,169	\$160,755	\$166,542	\$172,537	\$178,749
Special Assessment									
After-tax interest earnings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gross reserve account income	\$134,699	\$139,548	\$144,572	\$149,777	\$155,169	\$160,755	\$166,542	\$172,537	\$178,749
Annual reserve expense	\$39,315	\$150,247	\$39,096	\$8,628	\$300,442	\$13,186	\$52,813	\$183,588	\$45,553
Net annual reserve income	\$95,384	(\$10,699)	\$105,476	\$141,149	(\$145,273)	\$147,569	\$113,729	(\$11,051)	\$133,196
Reserve Acct - Beginning of year	\$215,067	\$310,451	\$299,752	\$405,228	\$546,377	\$401,104	\$548,672	\$662,401	\$651,350
<b>Reserve Account - End of year</b>	<b>\$310,451</b>	<b>\$299,752</b>	<b>\$405,228</b>	<b>\$546,377</b>	<b>\$401,104</b>	<b>\$548,672</b>	<b>\$662,401</b>	<b>\$651,350</b>	<b>\$784,546</b>

Optimized Cash Flow Analysis for Mammoth Point Condominium Homeowners Association

<b>RESERVE COMPONENTS</b>	Fiscal Year 2036	Fiscal Year 2037	Fiscal Year 2038	Fiscal Year 2039	Fiscal Year 2040	Fiscal Year 2041
<b>ROOFING</b>						
Composite Shingle Roof						
Roof Preventative Maintenance		\$10,459			\$11,629	
Chimney Caps/Spark Arresters						
<b>PAINTING</b>						
Wood Trim/Siding - Paint					\$201,899	
Wood Trim/Siding Exposed Sides			\$16,303			
<b>EXTERIOR WOOD</b>						
Wood Siding \$5K Repl w/ Paint					\$13,460	
Balconies - Replace (All)						\$476,902
Wood Stairs & Rails 2011						
Wood Entry Decks 2012						
Wood Rail Fences						
<b>STREETS &amp; DRIVEWAYS</b>						
Asphalt Seal/Crackfill 2011		\$17,673		\$18,969		\$20,359
Asphalt Patch (Partial Areas)		\$9,272		\$9,952		\$10,681
Asphalt Petromat Overlay - Streets						\$195,948
Asphalt Overlay - Upper Parking						
Asphalt Paths near Spa - (2011)						
Asphalt Paths (Other) - Replace					\$14,079	
<b>SPA</b>						
Spa Resurface (2009)						
Spa Heater (2009)				\$8,835		
Spa Filter (2009)				\$2,858		
Spa Pumps (2009)						\$5,578
Spa Chemical Feeder				\$7,276		
Spa Skimmer - Replace				\$4,677		
Spa Restrooms & Floor Drains						
Spa Restrooms Renovate			\$15,049			
Spa Iron Gates - Replace						
<b>BUILDING MISCELLANEOUS</b>						
Interior Residence Plumbing						
<b>MANAGER'S UNIT</b>						
Manager's Unit Flooring 2010					\$13,325	
Manager's Unit - Appliances						
Manager's Unit - Interior Paint					\$5,384	
Manager's Unit - Renovate						
<b>EQUIPMENT</b>						
Case Skip Loader 621D - Used						
Snowblowers (2)						\$8,367
<b>LANDSCAPE</b>						
Tree Trim/Remove				\$9,095		
Irrigation Backflow Valve						
<b>MISCELLANEOUS</b>						
Concrete Block Retaining Wall						
RR Tie Retaining Walls (10%)					\$6,905	
Custom "Mammoth Point" Sign			\$4,013			
Laundry - Washer (1) & Dryer (1)						
Fire Extinguishers - Replace 2011	\$2,804					\$3,347
Inflation factor applied each year	2.337	2.421	2.508	2.598	2.692	2.789
Estimated total reserve expense	\$2,804	\$37,404	\$35,365	\$61,662	\$266,681	\$721,182
<b>CASH FLOW FORECASTS</b>						
Annual reserve funding	\$185,184	\$191,850	\$198,757	\$205,912	\$213,325	\$221,005
Special Assessment						
After-tax interest earnings	\$0	\$0	\$0	\$0	\$0	\$0
Gross reserve account income	\$185,184	\$191,850	\$198,757	\$205,912	\$213,325	\$221,005
Annual reserve expense	\$2,804	\$37,404	\$35,365	\$61,662	\$266,681	\$721,182
Net annual reserve income	\$182,380	\$154,446	\$163,392	\$144,250	(\$53,356)	(\$500,177)
Reserve Acct - Beginning of year	\$784,546	\$966,926	\$1,121,372	\$1,284,764	\$1,429,014	\$1,375,658
<b>Reserve Account - End of year</b>	<b>\$966,926</b>	<b>\$1,121,372</b>	<b>\$1,284,764</b>	<b>\$1,429,014</b>	<b>\$1,375,658</b>	<b>\$875,481</b>