

This worksheet has been developed to show how the amount of the contribution will change relative to how the Board decides to treat that portion of the 2010 dues increase that went to reserves.

2010 allocation commitment:

The \$130 increase would be allocated in 2010 as follows: \$88 for operations, \$17 for the general reserve covering amenities, and \$25 for the road reserve.

Since the 2010 budget contains this allocation commitment, the allocation was included in Board Proposal #1.

	Proposal #1 with \$17 to Stop \$25 to amenities roads	Stop \$17 to Amenities
Calculation of Member contributions to reserves		
Five-year recommended contribution to reserves from the Research Advisors Study for 2011 through 2015	\$8,527,935	\$8,527,935
2010 Reserve Estimated carryover into 2011		\$8,527,935
General Reserve	\$398,064	
Amenity Fund	\$151,600	
Amenity Reserve	\$15,852	
Property Transfer Fund	\$198,530	
Road Reserve	\$447,621	
Lake Reserve	\$47,380	
Total Carryover	\$1,259,047	\$1,259,047
Equipment Depreciation calculated by taking 2010 depreciation and multiplying by 5 more years	\$1,530,450	\$1,530,450
Return on investments held by LMOA going to reserves	\$530,500	\$530,500
Investment return reflects current market conditions of close to 1% and while all of road and lake reserve income remains in reserves, the Board makes contributions to reserves, new initiatives or operations out of the ERA dividends and interest as part of the annual budget.		\$530,500
Sub-total - carryover into 2011, depreciation and investment income allocated	\$3,319,997	\$3,319,997
Member contribution to reserves for roads through dues \$25.75 plus \$25 from 2010 allocation multiplied by 5 years or \$235,226.25 taken from 2010 budget	\$1,176,131	\$1,176,131
Member contribution to reserves for roads but not including \$25 from 2010 allocation \$115,875 - (\$25 x 4635) multiplied by 5 years		(579,375)
Member contribution to lake health through dues of \$49.44 - \$229,154.40 from 2010 budget x 5 years	\$1,145,772	\$1,145,772
Continue \$17 to general amenities in 2011-2015 \$17 x 4635 x 5	\$393,975	\$393,975
Stop \$17-to general amenities in 2011-2015 \$17 x 4635 x 5		(393,975)
Contribution to reserves from budget	\$6,035,875	\$5,456,500
Shortfall from recommended contribution	\$2,492,060	\$3,071,435
Annual contribution to reserves by members	\$498,412	\$577,207
Cost per member (4635)	\$107.53	\$132.53
Proposal Amount	\$108	\$125