

RESERVE FUNDING PLAN

M,R&R

CASH FLOW ANALYSIS

Lake Monticello

Property Owners Association

Palmyra, Virginia

Individual Reserve Budgets & Cash Flows for the Next 30 Years

	FY2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Reserves at Beginning of Year (Note 1)	N/A	321,373	277,803	180,324	114,263	85,496	54,060	121,857	344,075	643,169	842,069	1,212,714	1,115,218	1,118,134	1,346,801	1,509,696
Total Recommended Reserve Contributions (Note 2)	N/A	622,000	635,000	648,400	662,200	486,400	501,000	516,000	531,500	547,400	563,800	580,700	598,100	616,000	634,500	653,500
Plus Estimated Interest Earned, During Year (Note 3)	N/A	7,397	5,656	3,637	2,466	1,723	2,172	5,752	12,188	18,336	25,368	28,740	27,572	30,431	35,265	24,010
Less Anticipated Expenditures, By Year	N/A	(672,967)	(738,135)	(718,098)	(693,433)	(519,559)	(435,375)	(299,534)	(244,594)	(366,836)	(218,523)	(706,936)	(622,756)	(417,764)	(506,870)	(1,752,131)
Anticipated Reserves at Year End	<u>\$321,373</u>	<u>277,803</u>	<u>180,324</u>	<u>114,263</u>	<u>85,496</u>	<u>54,060</u>	<u>121,857</u>	<u>344,075</u>	<u>643,169</u>	<u>842,069</u>	<u>1,212,714</u>	<u>1,115,218</u>	<u>1,118,134</u>	<u>1,346,801</u>	<u>1,509,696</u>	<u>435,075</u>

(NOTE 4)

(continued)

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

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039
Reserves at Beginning of Year	435,075	659,459	705,138	349,084	388,027	698,008	965,985	1,318,625	1,304,510	316,404	267,848	397,559	548,949	668,246	490,457
Total Recommended Reserve Contributions	673,100	693,300	714,100	735,500	757,600	780,300	803,700	827,800	852,600	878,200	904,500	931,600	959,500	988,300	1,017,900
Plus Estimated Interest Earned, During Year	13,513	16,847	13,015	9,100	13,408	20,543	28,205	32,384	20,011	7,213	8,215	11,685	15,027	14,305	12,330
Less Anticipated Expenditures, By Year	(462,229)	(664,468)	(1,083,169)	(705,657)	(461,027)	(532,866)	(479,265)	(874,299)	(1,860,717)	(933,969)	(783,004)	(791,895)	(855,230)	(1,180,394)	(1,012,412)
Anticipated Reserves at Year End	<u>659,459</u>	<u>705,138</u>	<u>349,084</u>	<u>388,027</u>	<u>698,008</u>	<u>965,985</u>	<u>1,318,625</u>	<u>1,304,510</u>	<u>316,404</u>	<u>267,848</u>	<u>397,559</u>	<u>548,949</u>	<u>668,246</u>	<u>490,457</u>	<u>508,275</u>

(NOTE 4)

(NOTE 5)

Explanatory Notes:

- 1) Year 2009 ending reserves are as of December 31, 2009; FY 2009 starts January 1 and ends December 31.
- 2) 2010 is the first year of recommended contributions.
- 3) 2.5% is the estimated annual rate of return on invested reserves.
- 4) Threshold Funding Year (reserve balance at critical point).
- 5) Accumulated year 2039 ending reserves consider the age, size, overall condition and complexity of the property.