

GOAL: We would like to avoid special assessments.

To do this we want to keep \$100K (inflation adjusted) in the reserve.

To achieve this we need to plan our finances for the next five years.

This way we can understand the costs that need to come out of the reserves.

ALL FIGURES ARE ESTIMATES AND BEST GUESSES

EXPENSES

Expected projects in the next five year	Cost of projects
Masonry Phase II	\$300,000
Roofs	\$200,000
Back stairwell painting	\$50,000
Smoke Alarm System	\$3,000
Basement Ceiling Repair	\$10,000
Rental Unit Refurb	\$20,000
2nd Rental Unit Repair	\$3,000
Plumbing	\$20,000
Misc	\$50,000
Total expenses from reserves over the next five years	\$656,000 line 18

Budget for operating expenses 2011	\$242,000
Total operating expenses for next five years (3% inflation)	\$1,279,502 line 21

Total needed for repairs (from reserves) over the next five years	\$656,000 from line 18
Total operating cost for next five years (3% inflation)	\$1,279,502 from line 21
Total Income needed in next five years	\$1,935,502

INCOME

Current Yearly Condo Fees	\$232,000
Other Sources	\$76,000
Total Income	\$308,000
Income for next Five Years without increases	\$1,540,000
Income for next Five Years with 12% increases in Condo Fees*	\$2,053,723

ASSETS

Current Amount in Reserves	\$130,000
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PROJECTED RESERVE FUND WITH DIFFERENT PROJECTED CONDO FEE INCREASES (after 5 years)

Projected Amount in Reserves with no increases	-\$265,502
Projected Amount in Reserves with 12% increases*	\$248,221
Projected Amount in Reserves with 10% increases*	\$155,520

INCREASE NEEDED FOR TARGET RESERVE FUND

Amount of Money with 9.1% increases*	\$115,321
Amount of Money with 12% increases for THREE YEARS ONLY**	\$126,189

*These are yearly increases for the next five years

**Treasurer Recommendation

Expenses explained**Masonry:**

The masonry is old. We have completed phase 1 of replacing the old masonry.

It is expected that Phase II will need to take place in the next 3-5 years.

We have currently replaced many of the lintels and the top 6 feet have been repointed/replaced.

All lintels and masonry will probably need to be replaced in the next 20 years

Roofs:

All of our roofs are past their expected lifetime. Some are extremely past their lifetimes.

1 double roof was replaced this last year.

We have 10 more roofs to go.

Painting:

Back stairwell paint is chipping and flaking. For aesthetic and safety reasons this need to be replaced.

Rental Refurbishing:

One of the units need to be completely refurbished.

The second unit needs minor tweaks

Plumbing:

Our plumbing is old.

This is an estimate based on costs that have arisen in the past and what we expect will need to be repaired.

Basement ceiling:

One basement ceiling will need to be replaced for safety reasons

Smoke Alarm:

The system will need to be replaced within five years

Misc:

Our budget usually estimates \$20K/ year in miscellaneous fees

We are lowering this to \$10K/year due to improved itemization

