

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS

Timber Creek Crossing Village Homes

Homeowners' Association, Inc.

Plymouth, Minnesota

Individual Reserve Budgets & Cash Flows for the Next 30 Years

	FY2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	
Reserves at Beginning of Year (Note 1)	484,875	495,232	596,772	713,433	869,915	1,049,158	1,273,437	1,515,134	1,789,914	1,976,549	1,977,453	1,930,560	1,807,549	1,654,375	1,506,897	1,695,354	
Total Recommended Reserve Contributions (Note 2)	57,375	91,800	126,200	160,600	195,000	229,400	237,200	245,300	253,600	262,200	271,100	280,300	289,800	299,700	309,900	320,400	
Plus Estimated Interest Earned, During Year (Note 3)	8,742	9,740	11,687	14,123	17,118	20,717	24,873	29,480	33,596	35,269	34,858	33,343	30,879	28,198	28,563	30,821	
Less Anticipated Expenditures, By Year	(55,760)	0	(21,226)	(18,241)	(32,875)	(25,838)	(20,376)	0	(100,561)	(296,565)	(352,851)	(436,654)	(473,853)	(475,376)	(150,006)	(286,524)	
Anticipated Reserves at Year End	<u>\$495,232</u>	<u>596,772</u>	<u>713,433</u>	<u>869,915</u>	<u>1,049,158</u>	<u>1,273,437</u>	<u>1,515,134</u>	<u>1,789,914</u>	<u>1,976,549</u>	<u>1,977,453</u>	<u>1,930,560</u>	<u>1,807,549</u>	<u>1,654,375</u>	<u>1,506,897</u>	<u>1,695,354</u>	<u>1,760,051</u>	
Predicted Reserves based on 2011 funding level of:	\$57,375	495,232	562,000	609,000	659,000	696,000	740,000	791,000	863,000	835,000	609,000	322,000	(55,000)	(476,000)	(906,000)	(1,016,000)	(1,265,000)

(continued)

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

	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041
Reserves at Beginning of Year	1,760,051	1,929,484	2,148,191	2,356,706	2,574,377	2,849,970	3,296,394	3,764,273	4,170,393	4,558,448	5,053,956	5,070,478	4,953,304	4,860,448	3,961,409
Total Recommended Reserve Contributions	331,300	342,600	354,200	366,200	378,700	391,600	404,900	418,700	432,900	447,600	462,800	478,500	494,800	511,600	529,000
Plus Estimated Interest Earned, During Year	32,910	36,372	40,182	43,984	48,384	54,824	62,979	70,775	77,859	85,740	90,307	89,409	87,536	78,689	57,949
Less Anticipated Expenditures, By Year	(194,777)	(160,265)	(185,867)	(192,513)	(151,491)	0	0	(83,355)	(122,704)	(37,832)	(536,585)	(685,083)	(675,192)	(1,489,328)	(2,012,992)
Anticipated Reserves at Year End	<u>1,929,484</u>	<u>2,148,191</u>	<u>2,356,706</u>	<u>2,574,377</u>	<u>2,849,970</u>	<u>3,296,394</u>	<u>3,764,273</u>	<u>4,170,393</u>	<u>4,558,448</u>	<u>5,053,956</u>	<u>5,070,478</u>	<u>4,953,304</u>	<u>4,860,448</u>	<u>3,961,409</u>	<u>2,535,366</u>

(NOTE 4)

Explanatory Notes:

- 1) Year 2011 reserves are as of January 1, 2011; FY 2011 starts January 1 and ends December 31.
- 2) Reserve Contributions for 2011 are budgeted; 2012 is the first year of recommended contributions.
- 3) 1.8% is the estimated annual rate of return on invested reserves.
- 4) Accumulated year 2041 ending reserves consider the need to fund for replacement of the remaining vinyl siding, asphalt pavement driveways and irrigation system shortly after 2041, and the age, size, overall condition and complexity of the property.

