

<b>Reserve Fund Title</b> <i>Expanded Definition</i> 2005 Funding Philosophy	Approx. Value Starting 2005	Goal Set in 2005	Current Balance (Jul 2005)	Actual Movement (Jul 2005)	Account Movement Through July 2005	Projected Balance at Close FY 2005	Reasons for FY 2005 Projections	Projected Movement During FY 2005
<b>1. Legal Defense Fund</b> <i>A fund reserved to defend the POA against law suits or other legal actions</i> Maintain \$12k/yr budget and deposit unspent amount into reserve account at year end. Continue this process annually until Fund Goal is met then reduce annual budget line item accordingly.	10,000	30,000	10,000	-	No movement to date. Have not had to access these funds. No planned deposit into this account until the end of the year.	10,000	Should not need to access account. Budget overruns will prevent funding for savings in legal fees	-
<b>2. Asset Acquisition Fund</b> <i>Money to procure new assets for the POA such as pool chairs, recreation facilities, etc.</i> Determine what we need/want to acquire, the cost as well as the time frame, and establish a budget line item to be included in future annual budgets to raise money specifically for deposit into this fund. This also could be a one time special assessment. Could also be a place to deposit money not spent at the end of the year (I.e. more like a savings account)	10,000	?????	5,535	(4,465)	Major deduction from this account was the purchase of new gym equipment. Minor deposits made through interest on CDs	5,600	Only change will be minor addition of interest from CDs	(4,400)
<b>3. Asset Repair Fund</b> <i>Funding the big ticket maintenance and repair of POA assets (clubhouse, pool, park, etc.)</i> Use 50% of Sante Fe NET INCOME (income - directly attributable Sante Fe expenses) to fund this account. When funded, roll Sante Fe income into the standard income and add a cost line item to re-establish Fund Goal from annual expenditures (historical average). Should reduce quarterly assessment.	20,000	50,000	34,194	14,194	No withdrawals from this account this year. Major expenditure of clubhouse repair directly financed (as planned) from 2005 assessments. Primary deposits have been 50% of Sante Fe fees and 50% of direct funding.	39,194	Assume 4th Qtr Sante Fe fees match 3rd quarter and no further direct funding due to budget overruns	19,194
<b>4. Emergency Operations Fund</b> <i>Money set aside for a "rainy day" including extreme damage or a major economic impact effecting revenue collection</i> Use 50% of Sante Fe NET INCOME (income - directly attributable Sante Fe expenses) to fund this account. When funded, roll Sante Fe income into the standard income and add a cost line item to re-establish Fund Goal from annual expenditures (historical average). Should reduce quarterly assessment.	30,000	60,000	43,924	13,924	No withdrawals from this account this year. Primary deposits have been 50% of Sante Fe fees and 50% of direct funding.	48,924	Assume 4th Qtr Sante Fe fees match 3rd quarter and no further direct funding due to budget overruns	18,924
<b>TOTAL RESERVES:</b>	70,000	140,000	93,653	23,653		103,718		33,718