

Quiet Water Reserve Study, March 2018

The Quiet Water Board has recently completed the annual update of the association's reserve study, as required by state law. The most important single result in a reserve study is the "percent funded", which is the ratio of the funds actually present in a reserve account, divided by the calculated "ideal" amount that would be in the account if it were fully funded, expressed as a percentage.

If the percent funded value is less than 30%, the account is considered to be poorly funded; between 30% and 70% it is fairly funded; above 70% it is well funded. The higher the percent funded, the less likely it is that special or increased assessments will be needed to pay for future expenses.

Over all our accounts considered together, we are at 96% funded, i.e. in the "well funded" range. Considering the individual Quiet Water accounts, all, with the exception of the LCA III sub-accounts, have funding lying between 40% and 105%. The LCA III Carport account actually has a negative balance, making it very poorly funded, and this issue needs to be addressed. Consequently, the Board intends to raise the quarterly assessment for the two carport users in LCA III from \$105 to \$135. At the same time, the other LCA III members will see their assessments drop from \$10 to \$5 per quarter, as that account is heavily overfunded.

The LCA IV account is currently 44% funded, and at the current assessment levels this figure will not improve much over the years. We therefore propose to raise the quarterly assessments from the current level of \$95 to \$125. If this is done it will bring LCA IV assessments more into line with the other LCAs which are between \$110 and \$135 for owners with covered parking. With this change, the account should move up into the "well funded" range within a few years.

The Board sees no reason to change either General Assessments (paid by all members) or the assessments in LCAs I and II.

If and when the new assessments come into force, the quarterly assessments for the various LCAs will be as shown below:

LCA I (10 members)	\$135
LCA II (6 members)	\$110
LCA III with carports (2 members)	\$135
LCA III without carports (4 members)	\$5
LCA IV (3 members)	\$125

The planned new assessments are incorporated in the draft budget for 2018-2019, which will be voted on at the annual meeting of the association in June.