

## ASPENHOF TRUSTEES EMERGENCY FUND SUBCOMMITTEE REPORT, 25 JANUARY 2012

The purpose of this subcommittee was to review the relevant projects and desired size of the Emergency Fund held by US Bank and recommend steps to achieve that size. Members were Ray Jordan, Dave Kroger, Dan Landiss and Teresa Wetzel.

I. Relevant projects might include but not be limited to emergencies (road washouts, dam failures, spillway failures) and could possibly include major unplanned expenditures such as lake dredging.

- A. It is probable that the cost to repair a major road washout would not exceed \$10,000.
- B. It is probable that the cost to repair a damaged dam would not exceed \$50,000.
- C. It is probable that the cost to dredge the largest lake would not exceed \$20,000.

II. An Emergency Fund of \$100,000 would represent about twice our present annual expense budget and would easily cover simultaneous emergencies such as those listed above.

III. In order to visualize a method of reaching that goal a spreadsheet including user input for expense assumptions and a graph to display the results has been programmed.

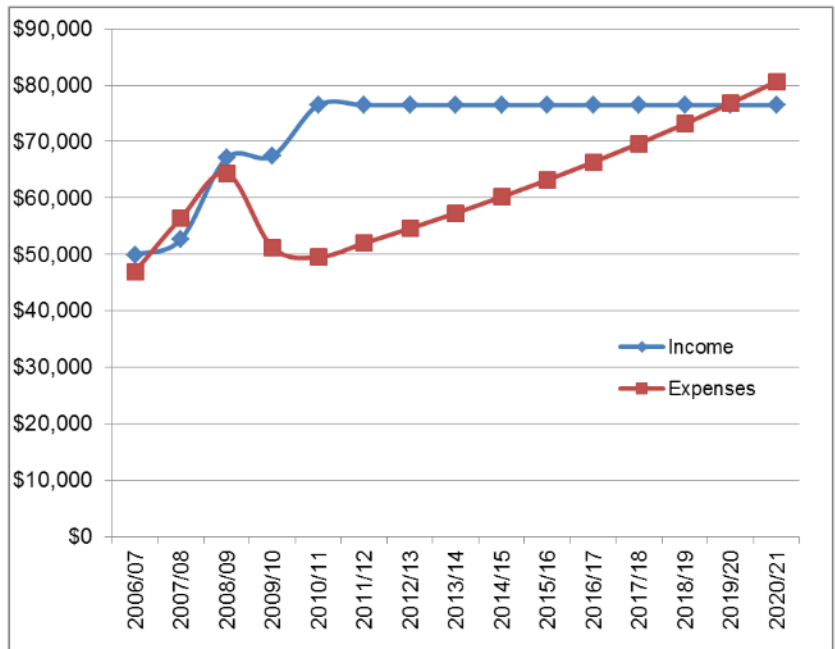
- A. Assuming no change in assessment and a 5% increase in expenses each year the Emergency Fund will pass \$100,000 in the 2012 - 2013 Fiscal Year and peak at \$183,000 in 2018 before beginning a gradual decline.
- B. Assuming no change in assessment and an 8% increase in expenses each year the Emergency Fund will pass \$100,000 in the 2012 - 2013 Fiscal Year and peak at \$136,000 in 2015 before beginning to decline.
- C. Assuming no change in assessment and a 10% increase in expenses each year the Emergency Fund will pass \$100,000 in the 2012 - 2013 Fiscal Year and peak at \$121,000 in 2014 before beginning a steep decline.

### ASPENHOF PROJECTED INCOME AND EXPENSES BY YEAR

	Income:	Operating Expenses:	Income – Expenses:	Emergency Fund:
2006/07	\$49,872	\$46,936	\$2,936	\$35,533
2007/08	\$52,644	\$56,402	-\$3,758	\$35,815
2008/09	\$67,070	\$64,391	\$2,679	\$33,534
2009/10	\$67,418	\$51,251	\$16,167	\$47,387
2010/11	\$76,456	\$49,498	\$26,958	\$67,792
2011/12	<i>\$76,456</i>	<i>\$51,973</i>	<i>\$24,483</i>	<i>\$92,275</i>
2012/13	<i>\$76,456</i>	<i>\$54,572</i>	<i>\$21,884</i>	<i>\$114,160</i>
2013/14	<i>\$76,456</i>	<i>\$57,300</i>	<i>\$19,156</i>	<i>\$133,315</i>
2014/15	<i>\$76,456</i>	<i>\$60,165</i>	<i>\$16,291</i>	<i>\$149,606</i>
2015/16	<i>\$76,456</i>	<i>\$63,173</i>	<i>\$13,283</i>	<i>\$162,889</i>
2016/17	<i>\$76,456</i>	<i>\$66,332</i>	<i>\$10,124</i>	<i>\$173,013</i>
2017/18	<i>\$76,456</i>	<i>\$69,649</i>	<i>\$6,807</i>	<i>\$179,820</i>
2018/19	<i>\$76,456</i>	<i>\$73,131</i>	<i>\$3,325</i>	<i>\$183,145</i>
2019/20	<i>\$76,456</i>	<i>\$76,788</i>	<i>-\$332</i>	<i>\$182,813</i>
2020/21	<i>\$76,456</i>	<i>\$80,627</i>	<i>-\$4,171</i>	<i>\$178,642</i>

Projected on: User Entries:

Annual income increase %: 0  
 Annual expense increase %: 5



ASSUMPTIONS: Negligible interest income  
 No withdrawals from Emergency Fund  
 Black figures are actual  
*Green italicized figures are projected*  
 User entries in yellow cells