

**STRATH HAVEN CONDOMINIUM ASSOCIATION**  
**CAPITAL RESERVE BUDGET NARRATIVE**

It is the goal of the Strath Haven Condominium Association to ensure there are adequate reserves to cover repair and replacement expenses. The Association's governing documents require that capital reserve funds be accumulated for repairs and replacements of major, critical components, ranging from the roof to the parking lots. Accumulated funds are held in separate accounts (reserve versus operating) and generally are not available for normal operations (such as those items outlined in the operating budget). It is the fiduciary responsibility of the Board of Managers, whose members are all owners, to protect, maintain and enhance the assets of the Association.

The most recent Strath Haven Condominium Association Projected Capital Budget and Reserve table was approved by the Board of Managers and contains specific projects for each year. The projects cited are based on the Capital Reserve Study done by International Consulting, Inc., but also includes recommendations from Management, Engineering and Budget & Finance Committees. The spreadsheet also contains best estimated costs for each capital project as well as revenues to cover expenses mostly through condo fees, contribution to the reserve fund via operating and resale income and special assessments, although under consideration is a plan that the Association take out a long-term loan to cover some of the capital budget items.

Projects are continually reviewed, and the Capital Reserve Budget is updated annually, but can be amended whenever necessary. An updated Capital Reserve Study is completed every two years by an independent consultant, and a new study is done every five years.

The goal to maintain adequate reserves for capital projects will help to ensure that Strath Haven Condominiums are a wonderful place to live for many years to come.