



River Ridge Homeowners Association of  
Martin County Inc.

**Community Asset Reserve Policy**



**GENERAL:**

- 1) Reserves will be provided for partial or full replacements and/or major refurbishing of the major assets owned by the River Ridge Homeowners Association of Martin County, Inc. (RRHOA).
- 2) The cash reserves to be provided will be the estimated amount necessary to be spent to replace or refurbish the asset at a particular designated future date.
- 3) Cash will be funded over the period beginning when the asset is new or recently restored through the date replacement or major refurbishment is required. The amount to be funded will be the discounted (for interest earnings) cash estimate for the replacement or refurbishment collected over the estimated funding period in the quarterly assessments from the RRHOA members.
- 4) The Board of Directors may add or change the amount of funding, add or delete assets to be funded, change interest or period assumptions, or stop funding for specific assets if funding appears to be prematurely adequate or unnecessary for other reasons.

**ACCOUNTING TREATMENT:**

- 1) Funded cash will be accounted for separately for each asset reserved, and interest earned will be credited to each reserved asset as earned.
- 2) Each specific reserve account will be credited quarterly for;
  - Payments received from RRHOA members at the beginning of each quarter.
  - Interest earned at the bank at the end of each month.
- 3) Each specific reserve account will be charged **ONLY** for expenditures relating to the full replacement or major refurbishing of the specific asset. Minor repairs and normal repair and maintenance expenditures must be charged against the annual budgeted accounts for repairs and maintenance.

**AMMENDING PROCEDURES:**

The foregoing rules were ratified by vote of the Board. The Association reserves the right to amend these procedures from time to time as deemed necessary. This Community Asset Reserve Policy is made in accordance with the Boards various authorities, including but not limited to those found in the Amended and Restated Declaration of Covenants, Conditions and Restrictions of River Ridge.