

Reserves for replacement **Roof replacement**

Cost	\$	125,000
Scheduled replacement		Sep-00
Future value	\$	125,000
Number of periods		48
Interest rate		3%
Amount to reserve per month		(\$2,454.29)

An example of the development of a scheduled monthly reserve amount using an interest bearing account.

Using a financial calculator - the future value, interest rate, and number of periods are entered to solve the calculation for the amount to reserve per month.