



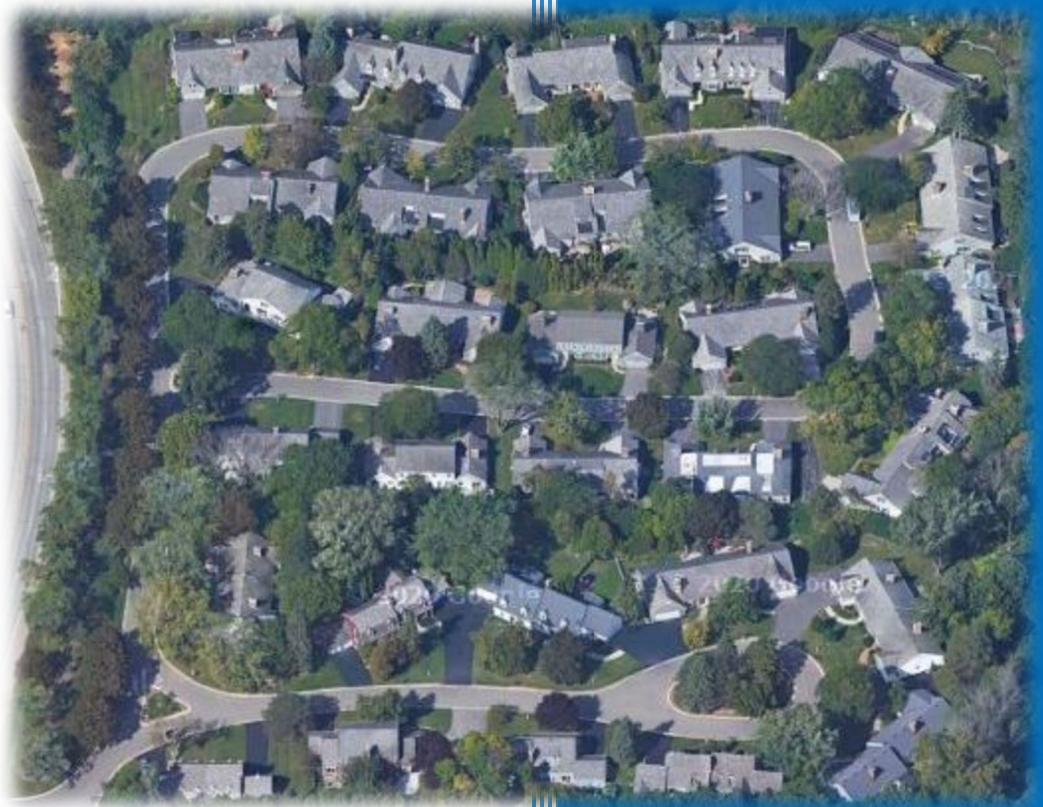
ENGINEERING & CONSULTING

888-688-4560

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Full Reserve Study

Cedar Gables Association, Inc.



Mequon, Wisconsin

September 24, 2024

Reference Number: 210131



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Reserve Component List	Engineering Data Section	Replacement Year (red font if in 5 years or less)	Age (N/A = not available)	Useful Life (years)	Remaining Useful Life (years)	Replacement Cost without Inflation	% Included (blue font if less than 100%)	\$ Included	Flexibility
Site Components									
Concrete Curbs and Gutters (20% with repaving streets)	6.121	2037	varies	20	13	\$212,000	20%	\$42,400	deferrable
Fences - Along Berm (!)	6.281	2049	N/A	30	25	\$31,000	100%	\$31,000	deferrable
Fence and Gates - Equipment Storage (!)	6.282	2053	2023	30	29	\$3,300	100%	\$3,300	deferrable
Irrigation System	6.521	2049	varies	40	25	\$51,000	100%	\$51,000	discretionary
Landscape (10% every 5 years)	6.541	2029	2024	5	5	\$90,000	10%	\$9,000	discretionary
Light Poles and Fixtures (including wiring)	6.601	2039	varies	25	15	\$92,000	100%	\$92,000	deferrable
Mailboxes	6.621	2045	2025	20	21	\$16,500	100%	\$16,500	deferrable
Monument Renovation (!)	6.631	2025	N/A	25	1	\$7,400	100%	\$7,400	deferrable
Pavement - Crack Repair and Patch (!)	6.641	2027	2023	4	3	\$8,100	100%	\$8,100	firm
Pavement Mill and Overlay - Streets (!)	6.661	2037	2017	20	13	\$128,000	100%	\$128,000	firm
Pavement Replacement - Streets	-	2057	2037	25	33	\$307,000	100%	\$307,000	deferrable

Cedar Gables Association, Inc.

Property and Service Summary

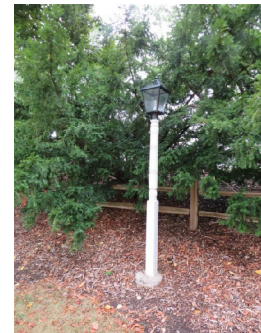
Location:	Mequon, Wisconsin
Property type:	homeowners association
Number of buildings:	30
Number of homes:	60
Years of construction:	1972 through 1975
Date of inspection:	September 24, 2024
Type of service:	reserve study
Level of service:	Full Study
Length of analysis:	30 years
Beginning reserve balance (May 31, 2025):	\$185,286 (equivalent to an amount per home of \$3,088)
2024-25 budgeted reserve contribution:	\$8,205
2025-26 recommended reserve contribution:	\$14,700 = increase of \$6,495 (\$9.02 per home per month)
Features:	asphalt streets, irrigation system, landscape, light poles and fixtures, fences, monuments
Completed projects:	landscape renovation, replacement of mailboxes
Upcoming projects:	monument renovation, pavement repairs



asphalt street



split rail fence along berm



light pole and fixture



landscape at island



Property Engineering Review

During our inspection of your property, we identify the following repairs and improvements that the property should consider:

Actionable recommendations - near term actions on these items will minimize future costs and maintain the comfort and security (See “Pages with Engineering Data” for more information where applicable):

We observed brush overgrowing the fences. The property should trim back the brush to minimize damage to the fences.

We noted wear at the base of the light poles from lawn care equipment. The property could consider the installation of mulch, landscaping stone or rubber mulch circles at the base of the poles to minimize wear.



Green ideas - Opportunities for energy efficiency and best practices for sustainability. Acting on these recommendations will provide significant cost savings (See “Pages with Engineering Data” for more information where applicable):

The property maintains multiple deciduous trees and bushes. Rather than raking leaves in the fall and hauling them to the landfill, the property should mulch the leaves and allow them to decompose into the ground. The majority of the leaves will decompose during the fall and winter. Once the leaf particles settle in, microbes and worms begin to recycle the debris (the application of nitrogen-rich fertilizer can help speed up the decomposition process). Whatever remains in the spring can be cleaned up and either used in planting beds or removed from the site. Mulching leaves will eliminate costs associated with hauling the leaves off the property and ease the burden placed on landfills. Mulching leaves will minimize weed control and nutrient application costs. Mulching leaves recycles a natural resource and provides a richer soil at no cost. The following website provides additional information: https://www.canr.msu.edu/news/smart_gardeners_mulch_fallen_leaves_into_lawn_to_save_money.

The property could consider the installation of solar lights to illuminate the monuments. The following website provides solar lights for these applications: <http://www.lightinguup.com>.

The property has not seal coated the asphalt pavement streets and we agree with this practice. It is our professional opinion that seal coating asphalt pavement does not extend the useful life of the pavement. Seal coats do not add structural strength to the pavement. Seal coating is also a source of environmental contamination. Many properties opt to save money by *not* seal coating their pavement. If the property decides to seal coat for aesthetic reasons, avoid the use of coal-tar based pavement seal coats as they pollute waterways. Instead, consider a slurry coat of asphaltic emulsion to provide a sacrificial wearing surface to the pavement. Also, if the property chooses to seal coat, we recommend applying the seal coat in the spring rather than the fall. Snow removal equipment wears

the seal coat. Application in the spring will provide the maximum visual enjoyment from a fresh seal coat. If seal coat application is desired, the property should fund this expense through the operating budget.

The property could determine if cold-in-place recycling (CIR) is an option for the long lengths of streets at the property. This process of repaving includes milling off the top of the existing asphalt pavement, mixing the milled asphalt with an asphalt recycling agent and placing it back down with a paver.

Engineering solutions - reference this information for proper scope of work and best outcome on upcoming projects (See “Pages with Engineering Data” for more information where applicable):

We note the use of nails at the wood equipment storage fence. Screws are preferred to attach fence components as nail fasteners have a tendency to pull out as the wood warps. Repairs and replacement should utilize screws.

Landscape replacement timing is discretionary. Annual operating budgets should include funds for mowing, trimming, flowers and replacement of a limited amount of dead landscape. We include an allowance for periodic partial replacements of landscape to include replacement of overgrown bushes or trees as the property sees necessary. Overgrown bushes and trees can cause damage to adjacent components. Although unpredictable, this allowance could also be used for any landscape that has died from drought, disease, etc.

Efflorescence is a white, powdery deposit of soluble salts carried to the surface of masonry by moisture. The moisture evaporates, leaving the residue. The presence of salts indicates moisture. Efflorescence is evident throughout the monument masonry indicating the masonry is porous. We recommend the property remove the efflorescence through light scrubbing. Once cleaning is complete, the property should apply a breathable masonry sealer that allows water vapor to escape the masonry but prevents liquid water from entering:

http://www.prosoco.com/Content/Documents/Product/BMC_Breathable_Masonry_Coating_II_PDS_093011_S.pdf. The property should fund these maintenance expenses through the operating budget.

The property has conducted appropriate prior repairs and maintenance to the pavement as evident during our inspection. However, additional repairs are needed. Continued maintenance including repairing all cracks and patching potholes in the pavement will prevent water infiltration. This will minimize deterioration of the pavement and underlying base, and maximize the life of the pavement.

The property should mill and overlay the street pavement with the onset of deterioration and prior to widespread deterioration to preserve the base and defer the need for the more costly total replacement method of repaving.

Implementation of these repairs and improvements could increase the useful life of the components, minimize operating costs and provide guidance at the time of component replacement.

Reserve Study Overview

This reserve study is a *physical and financial analysis* of your property that determines what components of your property will eventually require either major repairs or restoration, or complete replacement. Large, one-time contributions (special assessments) for these projects can be eliminated with development of a *reserve* through relatively smaller annual contributions. The physical analysis determines the existing quantities, conditions, useful lives and costs of the components. The financial analysis determines the existing financial situation of your property and the reserves necessary to offset the future expenses.

Reserve Component

Components in this reserve study meet the following requirements:

- responsibility of the property
- limited useful life expectancy
- predictable *remaining* useful life expectancy
- above a minimum threshold cost

Components that do not fulfill the above requirements are not included in this study.

30 Year Analysis

The analysis for this reserve study encompasses the next 30 years. The components of the property age each year. Those who enjoy the use of each component are financially responsible for what they enjoyed. This length of an analysis is necessary to analyze the aging of nearly all the major components of the property. The expectation is not that the current Owners, Board of Directors and/or Management will be present at the property in 30 years. Rather, the future analysis aids in determining the most accurate *current* contribution for the aging components.

Funding Method

The funding method of this reserve study utilizes the *cash flow method*. With the cash flow method, contributions to the reserve fund are designed to offset variable annual expenditures. We experiment with different contribution scenarios until an ideal scenario is discovered to offset reserve expenditures. All expenses and contributions are *pooled* together. Our experience indicates that the cash flow method typically results in lower overall contributions than the *component method*, which typically segregates funds.

Funding Goal

The funding goal of this reserve study is to maintain a reserve balance above a minimum *threshold* during the years of major expenditures. We assume a contingency reserve balance of not less than

approximately ten percent (10%) of the expenditures in the **threshold funding year** (The year the reserve balance is at its lowest point. See Funding Plan Page 1.401 for the identification of this year). The property can determine if they prefer a higher or lower contingency.

The ideal situation is when the threshold funding year is in the last year of the analysis. This provides the maximum amount of time that the property can save up for major expenses. A critical situation is when the threshold funding year is in the first few years of the analysis. This situation requires major initial reserve contributions to offset near term expenditures.

Funding

This reserve study assumes an ideal situation where all future costs are offset by annual contributions to the reserve fund. *We understand that this is not always possible.* Our experience suggests that major projects are funded through multiple means such as partially through the reserve fund and partial through either additional assessments or bank loans. The specific funding of the projects is determined by the property at the time of the event (this is not something we can forecast). The goal of the property should be to follow the recommended funding plan outlined in this reserve study. If the recommended reserve contributions are not feasible as determined by the Board of Director's judgment, this reserve study should then be used, at a minimum, to justify the need for an *increase* over the *current* reserve fund contribution.

Flexibility

The time of replacement for each component involves a varying degree of deduction. To help understand the criticality of each replacement time, we provide the following replacement flexibility guide:

firm - Replacement time has little, if any, flexibility. Deferring the replacement time would have an adverse effect on the property, likely incurring additional costs and a greater scope of work.

deferrable - Replacement time has limited flexibility. Continually deferring the replacement time would eventually have an adverse effect on the property and raise aesthetic concerns.

discretionary - Replacement time has flexibility. Continually deferring the replacement time would either raise aesthetic concerns or the component does not affect the functionality of the property. The replacement costs for certain discretionary expenses can vary greatly as they are subject to improvements and expansions as desired by the property.

We DO NOT use this information in determination of the times of replacements. Our estimated times of replacements are based on the age and condition of each individual component, along with our vast

experience. Changing how a component is labeled would not change our recommended time of replacement. This information is only provided for the benefit of the board to aid them in making revisions, if that is something they chose to do, and understand the risks.

This guide could be considered a risk factor. If the board chooses to defer a component that is Firm, there is a great risk. If the board chooses to defer a component that is Discretionary, there is little risk. If the board chooses to defer a component that is Deferrable, there is risk.

Reserve Study Requirements

Property Declarations occasionally define reserve study requirements. The state legislature may also define reserve study requirements. The following is a link to state reserve study requirements (the property should be aware more recent or pending legislation may exist since the date of this report):

<https://www.caionline.org/Advocacy/Priorities/ReserveStudy/Pages/default.aspx>

It is our intention that this reserve study complies with these requirements. The property should consult with their attorney on discrepancies between reserve study requirements. Contact us for any revision necessary to the reserve study to fulfill these requirements.

Cost estimates

We obtain the cost estimates for replacements from the following sources:

- published sources (*RS Means* based on standard union labor rate)
- historical costs
- proprietary information

Our estimates are not guarantees of actual replacement costs. We base our estimates on our calculation of expected market rate for your specific location and specific situation. Multiple contractor bids will result in multiple cost estimates. *Multiple* contractor estimates will inevitably vary from our *single* estimate. The property should verify the scope of work in the contractor's estimate is similar to what is noted on the Engineering Data page (Engineering Data pages are all the data pages subsequent to "Limiting Conditions", Page 1.701). Common reasons for cost discrepancies include varying scopes of work and improvements over the existing components. Technological improvements also cause cost discrepancies - what may have been current technology at the time of the study could be obsolete at the time of replacement. If the property receives an estimate that is higher than the estimate in this reserve study for the same scope of work, the property should use this study as a tool to negotiate a lower cost. If the property receives an estimate that is lower than the estimate in this reserve study for the same scope of work - the estimate is below the expected market rate.

Long Lived Components

There exists components at the property that will not require replacement during the 30 year analysis. Although these long lived components will eventually require replacement, they do not fall within the scope of the analysis. Periodic updates of the study will eventually include their replacement. Frequent updates of the study will ensure the property has up to 30 years to plan for their eventual replacement. The following is a list of **common** long lived components for the property:

- foundations

Operating Budget

The operating budget provides funds necessary for the daily operation of the property. In general, the operating budget includes expenses that repeat from year to year, such as administrative expenses and cleaning. All the property components require maintenance. *This reserve study does not include maintenance costs that would traditionally fall under an operating budget.* We assume the property will fund normal annual maintenance through the operating budget. We also assume that the property will fund replacement of components below an estimated minimum threshold cost of

\$3,000

through the operating budget. The following is a list of components that we assume the property will fund through the operating budget:

- flag and flag pole
- street signs

The items in the list above have a minimal (if any) impact on our recommended reserve fund contribution. If the property chooses to fund these expenses through reserves, updates of this reserve study would account for these expenses.

Responsibility of Others

We were informed that there are components within the property that are the responsibility of others. The following components are neither the responsibility of the property nor the owners:

- fire hydrants
- homes and lots
- subterranean piping at streets

Additional Assessments

The objective of properly planned operating budgets and reserve contributions is to avoid additional assessments. However, additional assessments are necessary for unplanned costs such as code change requirements, unobservable conditions, property improvements, etc. We *do not* recommend the property fund these expenses through reserves. The property should consult with an attorney to determine if the property Bylaws have a provision for these types of expenses.

Definitions and Supporting Information

Community Associations Institute (CAI) and the Association of Professional Reserve Analysts (APRA) are national organizations that provide requirements for reserve studies. The property should refer to these organizations for reserve study definitions and supporting information. The following are links to these organizations:

<http://www.caionline.org>

<http://www.apra-usa.com/>

Reserve Fund Status

If the property were to fund all expenditures identified in this study through reserves, an increase in the reserve contributions is necessary. See Funding Plan Page 1.401 for our recommended reserve funding plan.

Updates

The reserve study is a static snap shot in time based on the date of the inspection. However, costs, inflation rates, interest rates and weather conditions are dynamic in that they are always changing. This necessitates periodic *updates* of the reserve study. We suggest updating the reserve study every three to six years. Factors that can determine when an update should occur are an upcoming major project, completion of a major project, major change to the property, known change in the interest and/or

inflation rates compared to the last reserve study, etc. Please contact us for a reserve study update proposal when necessary.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Justin J. Maier', written in a cursive style.

Justin J. Maier, RS
Partner
Superior Reserve Engineering & Consulting
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888-688-4560
Report submitted on: October 25, 2024
Report by: Stefanie L. Petersen
Reviewed by: Justin J. Maier

Recommended Reserve Funding Plan

Cedar Gables Association, Inc.

Year	Inflated expenditures (3% annual)	Recommended reserve contributions	Ending reserve balance	Average \$ per home per month (60 homes)**	\$ increase per month from previous year	% increase from previous year
2024-25*	\$0	\$8,205	\$189,283	\$11.40	-	-
2025-26	(\$7,622)	\$14,700	\$200,217	\$20.42	\$9.02	79.2%
2026-27	\$0	\$15,100	\$219,472	\$20.97	\$0.56	2.7%
2027-28	(\$8,851)	\$15,600	\$230,678	\$21.67	\$0.69	3.3%
2028-29	\$0	\$16,100	\$251,553	\$22.36	\$0.69	3.2%
2029-30	(\$10,433)	\$16,600	\$262,813	\$23.06	\$0.69	3.1%
2030-31	\$0	\$17,100	\$285,340	\$23.75	\$0.69	3.0%
2031-32	(\$9,962)	\$17,600	\$298,761	\$24.44	\$0.69	2.9%
2032-33	\$0	\$18,100	\$323,017	\$25.14	\$0.69	2.8%
2033-34	\$0	\$18,600	\$348,263	\$25.83	\$0.69	2.8%
2034-35	(\$12,095)	\$19,200	\$362,403	\$26.67	\$0.83	3.2%
2035-36	(\$11,212)	\$19,800	\$378,325	\$27.50	\$0.83	3.1%
2036-37	\$0	\$20,400	\$406,496	\$28.33	\$0.83	3.0%
2037-38	(\$250,238)	\$21,000	\$183,096	\$29.17	\$0.83	2.9%
2038-39	\$0	\$21,600	\$208,574	\$30.00	\$0.83	2.9%
***2039-40	(\$169,974)	\$22,200	<u>\$63,494</u>	\$30.83	\$0.83	2.8%
2040-41	\$0	\$22,900	\$87,893	\$31.81	\$0.97	3.2%
2041-42	\$0	\$23,600	\$113,487	\$32.78	\$0.97	3.1%
2042-43	\$0	\$24,300	\$140,300	\$33.75	\$0.97	3.0%
2043-44	(\$14,203)	\$25,000	\$154,010	\$34.72	\$0.97	2.9%
2044-45	(\$16,255)	\$25,800	\$166,731	\$35.83	\$1.11	3.2%
2045-46	(\$30,695)	\$26,600	\$165,930	\$36.94	\$1.11	3.1%
2046-47	\$0	\$27,400	\$196,923	\$38.06	\$1.11	3.0%
2047-48	(\$15,986)	\$28,200	\$213,198	\$39.17	\$1.11	2.9%
2048-49	\$0	\$29,000	\$246,752	\$40.28	\$1.11	2.8%
2049-50	(\$190,534)	\$29,900	\$89,448	\$41.53	\$1.25	3.1%
2050-51	(\$15,959)	\$30,800	\$106,226	\$42.78	\$1.25	3.0%
2051-52	(\$17,992)	\$31,700	\$122,195	\$44.03	\$1.25	2.9%
2052-53	\$0	\$32,700	\$157,666	\$45.42	\$1.39	3.2%
2053-54	(\$7,777)	\$33,700	\$187,003	\$46.81	\$1.39	3.1%
2054-55****	(\$21,845)	\$34,700	\$203,726	\$48.19	\$1.39	3.0%

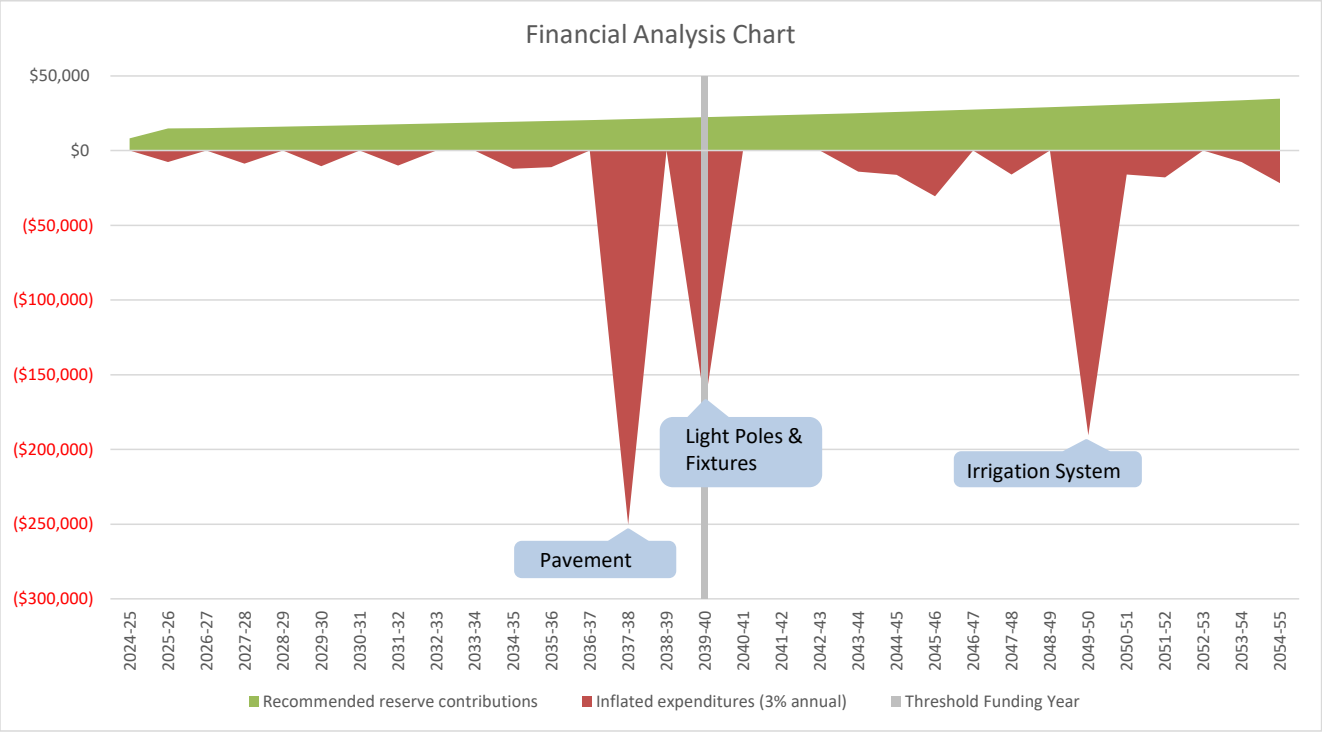
* reserve contributions are budgeted

**The costs in this column represent an AVERAGE \$ only and is only intended to put the \$ into perspective.

***2039-40 is the THRESHOLD FUNDING YEAR (the year the reserve balance is at its lowest point)

2054-55****Ending reserve balance considers the need for replacement of the pavement shortly after 2054-55.

Cedar Gables Association, Inc.



30 Year Expenditure Summary



These summary pages depict the INFLATED reserve expenses during the next 30 years. The costs on these pages SHOULD NOT be compared to current bid costs as these costs are inflated.

1.403

Cedar Gables Association, Inc.

Fiscal year	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Construction inflation rate (30 year average)	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Compounded construction inflation	100.0%	103.0%	106.1%	109.3%	112.6%	115.9%	119.4%	123.0%
Beginning reserve balance (May 31, 2024)	\$185,286	\$189,283	\$200,217	\$219,472	\$230,678	\$251,553	\$262,813	\$285,340
Inflated expenditures (3% annual)	\$0	(\$7,622)	\$0	(\$8,851)	\$0	(\$10,433)	\$0	(\$9,962)
Recommended reserve contributions (remaining amount for 2024-25)	\$2,735	\$14,700	\$15,100	\$15,600	\$16,100	\$16,600	\$17,100	\$17,600
Estimated interest earned (2.0% PROJECTED yield rate)	\$1,263	\$3,856	\$4,155	\$4,457	\$4,775	\$5,093	\$5,427	\$5,783
Ending reserve balance	\$189,283	\$200,217	\$219,472	\$230,678	\$251,553	\$262,813	\$285,340	\$298,761

Reserve Component List

Site Components

Concrete Curbs and Gutters (20% with repaving streets)								
Fences - Along Berm (!)								
Fence and Gates - Equipment Storage (!)								
Irrigation System								
Landscape (10% every 5 years)						10,433		
Light Poles and Fixtures (including wiring)								
Mailboxes								
Monument Renovation (!)		7,622						
Pavement - Crack Repair and Patch (!)				8,851				9,962
Pavement Mill and Overlay - Streets (!)								
Pavement Replacement - Streets								

30 Year Expenditure Summary



These summary pages depict the INFLATED reserve expenses during the next 30 years. The costs on these pages SHOULD NOT be compared to current bid costs as these costs are inflated.

1.403

Cedar Gables Association, Inc.

	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	threshold funding year 2039-40
Fiscal year								
Construction inflation rate (30 year average)	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Compounded construction inflation	126.7%	130.5%	134.4%	138.4%	142.6%	146.9%	151.3%	155.8%
Beginning reserve balance (May 31, 2024)	\$298,761	\$323,017	\$348,263	\$362,403	\$378,325	\$406,496	\$183,096	\$208,574
Inflated expenditures (3% annual)	\$0	\$0	(\$12,095)	(\$11,212)	\$0	(\$250,238)	\$0	(\$169,974)
Recommended reserve contributions (remaining amount for 2024-25)	\$18,100	\$18,600	\$19,200	\$19,800	\$20,400	\$21,000	\$21,600	\$22,200
Estimated interest earned (2.0% PROJECTED yield rate)	\$6,156	\$6,646	\$7,036	\$7,334	\$7,771	\$5,838	\$3,878	\$2,694
Ending reserve balance	\$323,017	\$348,263	\$362,403	\$378,325	\$406,496	\$183,096	\$208,574	\$63,494

Reserve Component List

Site Components

Concrete Curbs and Gutters (20% with repaving streets)	62,266	
Fences - Along Berm (!)		
Fence and Gates - Equipment Storage (!)		
Irrigation System		
Landscape (10% every 5 years)	12,095	14,022
Light Poles and Fixtures (including wiring)		143,333
Mailboxes		
Monument Renovation (!)		
Pavement - Crack Repair and Patch (!)	11,212	12,620
Pavement Mill and Overlay - Streets (!)		187,972
Pavement Replacement - Streets		

30 Year Expenditure Summary



These summary pages depict the INFLATED reserve expenses during the next 30 years. The costs on these pages SHOULD NOT be compared to current bid costs as these costs are inflated.

1.403

Cedar Gables Association, Inc.

Fiscal year	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48
Construction inflation rate (30 year average)	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Compounded construction inflation	160.5%	165.3%	170.2%	175.4%	180.6%	186.0%	191.6%	197.4%
Beginning reserve balance (May 31, 2024)	\$63,494	\$87,893	\$113,487	\$140,300	\$154,010	\$166,731	\$165,930	\$196,923
Inflated expenditures (3% annual)	\$0	\$0	\$0	(\$14,203)	(\$16,255)	(\$30,695)	\$0	(\$15,986)
Recommended reserve contributions (remaining amount for 2024-25)	\$22,900	\$23,600	\$24,300	\$25,000	\$25,800	\$26,600	\$27,400	\$28,200
Estimated interest earned (2.0% PROJECTED yield rate)	\$1,499	\$1,994	\$2,513	\$2,914	\$3,176	\$3,294	\$3,593	\$4,061
Ending reserve balance	\$87,893	\$113,487	\$140,300	\$154,010	\$166,731	\$165,930	\$196,923	\$213,198

Reserve Component List

Site Components

Concrete Curbs and Gutters (20% with repaving streets)	
Fences - Along Berm (!)	
Fence and Gates - Equipment Storage (!)	
Irrigation System	
Landscape (10% every 5 years)	16,255
Light Poles and Fixtures (including wiring)	
Mailboxes	30,695
Monument Renovation (!)	
Pavement - Crack Repair and Patch (!)	14,203
Pavement Mill and Overlay - Streets (!)	15,986
Pavement Replacement - Streets	

30 Year Expenditure Summary



These summary pages depict the INFLATED reserve expenses during the next 30 years. The costs on these pages SHOULD NOT be compared to current bid costs as these costs are inflated.

1.403

Cedar Gables Association, Inc.

Fiscal year	2048-49	2049-50	2050-51	2051-52	2052-53	2053-54	2054-55
Construction inflation rate (30 year average)	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Compounded construction inflation	203.3%	209.4%	215.7%	222.1%	228.8%	235.7%	242.7%
Beginning reserve balance (May 31, 2024)	\$213,198	\$246,752	\$89,448	\$106,226	\$122,195	\$157,666	\$187,003
Inflated expenditures (3% annual)	\$0	(\$190,534)	(\$15,959)	(\$17,992)	\$0	(\$7,777)	(\$21,845)
Recommended reserve contributions (remaining amount for 2024-25)	\$29,000	\$29,900	\$30,800	\$31,700	\$32,700	\$33,700	\$34,700
Estimated interest earned (2.0% PROJECTED yield rate)	\$4,554	\$3,329	\$1,937	\$2,262	\$2,771	\$3,413	\$3,869
Ending reserve balance	\$246,752	\$89,448	\$106,226	\$122,195	\$157,666	\$187,003	\$203,726

Reserve Component List

Site Components

Concrete Curbs and Gutters (20% with repaving streets)	
Fences - Along Berm (!)	64,907
Fence and Gates - Equipment Storage (!)	7,777
Irrigation System	106,783
Landscape (10% every 5 years)	18,844
Light Poles and Fixtures (including wiring)	21,845
Mailboxes	
Monument Renovation (!)	15,959
Pavement - Crack Repair and Patch (!)	17,992
Pavement Mill and Overlay - Streets (!)	
Pavement Replacement - Streets	



2024-25

Hybrid Reserve Expenditures and Funding Plan
October 1, 2024 through September 30, 2025

Year of forecast:	0
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2024-25:	100.0%

Unaudited, provided, beginning reserve balance as of May 31, 2025: \$185,286

Budgeted reserve contribution (4 remaining months of \$8,205 contribution): +	\$2,735
Estimated interest earned (4 months of remaining interest at 2.0% yield rate): +	<u>\$1,263</u>
Total remaining contributions:=	<u>\$3,998</u>



Cedar Gables Association, Inc.
2024-25 Expenditures

Total expenditures:

Flexibility Engineering Data
Section

	\$0
Ending reserve balance:	<u>\$189,283</u>



2025-26

Hybrid Reserve Expenditures and Funding Plan
October 1, 2025 through September 30, 2026

Year of forecast:	1
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2025-26:	103.0%

Beginning reserve balance: \$189,283

Recommended reserve contribution: +	\$14,700
Estimated interest earned (2.0% PROJECTED yield rate): +	<u>\$3,856</u>

Total contributions:= \$18,556

Cedar Gables Association, Inc.

2025-26 Expenditures (inflated)

	Flexibility	Engineering Data Section	
Monument Renovation (!)	deferrable	6.631	(\$7,622)
Total expenditures:			(\$7,622)
		Ending reserve balance:	\$200,217



2026-27

Hybrid Reserve Expenditures and Funding Plan
October 1, 2026 through September 30, 2027

Year of forecast:	2
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2026-27:	106.1%

Beginning reserve balance: \$200,217

Recommended reserve contribution: +	\$15,100
Estimated interest earned (2.0% PROJECTED yield rate): +	<u>\$4,155</u>
Total contributions:=	<u>\$19,255</u>

Cedar Gables Association, Inc.
2026-27 Expenditures (inflated)

Total expenditures:

Flexibility	Engineering Data Section
	\$0
	Ending reserve balance: <u>\$219,472</u>



2027-28

Hybrid Reserve Expenditures and Funding Plan
October 1, 2027 through September 30, 2028

Year of forecast:	3
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2027-28:	109.3%

Beginning reserve balance: \$219,472

Recommended reserve contribution: +	\$15,600
Estimated interest earned (2.0% PROJECTED yield rate): +	\$4,457
Total contributions:=	<u>\$20,057</u>

Cedar Gables Association, Inc.
2027-28 Expenditures (inflated)

	Flexibility	Engineering Data Section	
Pavement - Crack Repair and Patch (!)	firm	6.641	(\$8,851)
Total expenditures:			(\$8,851)
		Ending reserve balance:	<u>\$230,678</u>



2028-29

Hybrid Reserve Expenditures and Funding Plan
October 1, 2028 through September 30, 2029

Year of forecast:	4
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2028-29:	112.6%

Beginning reserve balance: \$230,678

Recommended reserve contribution: +	\$16,100
Estimated interest earned (2.0% PROJECTED yield rate): +	\$4,775

Total contributions:= \$20,875

Cedar Gables Association, Inc.

2028-29 Expenditures (inflated)

Total expenditures:

Flexibility	Engineering Data Section
	\$0
	Ending reserve balance: <u>\$251,553</u>



1.404.2029

2029-30

Hybrid Reserve Expenditures and Funding Plan

October 1, 2029 through September 30, 2030

Year of forecast:	5
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2029-30:	115.9%

Beginning reserve balance: \$251,553

Recommended reserve contribution: +	\$16,600
Estimated interest earned (2.0% PROJECTED yield rate): +	\$5,093

Total contributions:= \$21,693

Cedar Gables Association, Inc.

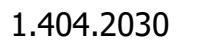
2029-30 Expenditures (inflated)

Landscape (10% every 5 years)

Flexibility	Engineering Data Section	
discretionary	6.541	(\$10,433)

Total expenditures: (\$10,433)

Ending reserve balance: \$262,813



Hybrid Reserve Expenditures and Funding Plan

Year of forecast:	6
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2030-31:	119.4%

Recommended reserve contribution: +	\$17,100
Estimated interest earned (2.0% PROJECTED yield rate): +	<u>\$5,427</u>

Cedar Gables Association, Inc.

Flexibility

\$0

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1.404.2031

2031-32

Hybrid Reserve Expenditures and Funding Plan

October 1, 2031 through September 30, 2032

Year of forecast:	7
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2031-32:	123.0%

Beginning reserve balance: \$285,340

Recommended reserve contribution: +	\$17,600
Estimated interest earned (2.0% PROJECTED yield rate): +	\$5,783

Total contributions:= \$23,383

Cedar Gables Association, Inc.

2031-32 Expenditures (inflated)

	Flexibility	Engineering Data Section	
Pavement - Crack Repair and Patch (!)	firm	6.641	(\$9,962)
Total expenditures:			(\$9,962)
		Ending reserve balance:	<u>\$298,761</u>



1.404.2032

2032-33

Hybrid Reserve Expenditures and Funding Plan

October 1, 2032 through September 30, 2033

Year of forecast:	8
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2032-33:	126.7%

Beginning reserve balance: \$298,761

Recommended reserve contribution: +	\$18,100
Estimated interest earned (2.0% PROJECTED yield rate): +	\$6,156

Total contributions:= \$24,256

Cedar Gables Association, Inc.

2032-33 Expenditures (inflated)

Total expenditures:

Flexibility	Engineering Data Section	
		\$0
	Ending reserve balance:	<u>\$323,017</u>



1.404.2033

2033-34

Hybrid Reserve Expenditures and Funding Plan
October 1, 2033 through September 30, 2034

Year of forecast:	9
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2033-34:	130.5%

Beginning reserve balance: \$323,017

Recommended reserve contribution: +	\$18,600
Estimated interest earned (2.0% PROJECTED yield rate): +	\$6,646

Total contributions:= \$25,246

Cedar Gables Association, Inc.

2033-34 Expenditures (inflated)

Total expenditures:

Flexibility	Engineering Data Section	
		\$0
	Ending reserve balance:	<u>\$348,263</u>



1.404.2034

2034-35

Hybrid Reserve Expenditures and Funding Plan
October 1, 2034 through September 30, 2035

Year of forecast:	10
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2034-35:	134.4%

Beginning reserve balance: \$348,263

Recommended reserve contribution: +	\$19,200
Estimated interest earned (2.0% PROJECTED yield rate): +	\$7,036

Total contributions:= \$26,236

Cedar Gables Association, Inc.

2034-35 Expenditures (inflated)

	Flexibility	Engineering Data Section	
Landscape (10% every 5 years)	discretionary	6.541	(\$12,095)
Total expenditures:			(\$12,095)
		Ending reserve balance:	<u>\$362,403</u>



2035-36

Hybrid Reserve Expenditures and Funding Plan
October 1, 2035 through September 30, 2036

Year of forecast:	11
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2035-36:	138.4%

Beginning reserve balance: \$362,403

Recommended reserve contribution: +	\$19,800
Estimated interest earned (2.0% PROJECTED yield rate): +	\$7,334
Total contributions:=	<u>\$27,134</u>

Cedar Gables Association, Inc.
2035-36 Expenditures (inflated)

	Flexibility	Engineering Data Section	
Pavement - Crack Repair and Patch (!)	firm	6.641	(\$11,212)
Total expenditures:			(\$11,212)
		Ending reserve balance:	<u>\$378,325</u>



2036-37

Hybrid Reserve Expenditures and Funding Plan
October 1, 2036 through September 30, 2037

Year of forecast:	12
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2036-37:	142.6%

Beginning reserve balance: \$378,325

Recommended reserve contribution: +	\$20,400
Estimated interest earned (2.0% PROJECTED yield rate): +	<u>\$7,771</u>

Total contributions:= \$28,171

Cedar Gables Association, Inc.

2036-37 Expenditures (inflated)

Total expenditures:

Flexibility Engineering Data
Section

	\$0
Ending reserve balance:	<u>\$406,496</u>



2037-38

Hybrid Reserve Expenditures and Funding Plan
October 1, 2037 through September 30, 2038

Year of forecast:	13
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2037-38:	146.9%

Beginning reserve balance: \$406,496

Recommended reserve contribution: +	\$21,000
Estimated interest earned (2.0% PROJECTED yield rate): +	\$5,838

Total contributions:= \$26,838

Cedar Gables Association, Inc.

2037-38 Expenditures (inflated)

	Flexibility	Engineering Data Section	
Concrete Curbs and Gutters (20% with repaving streets)	deferrable	6.121	(\$62,266)
Pavement Mill and Overlay - Streets (!)	firm	6.661	(\$187,972)
Total expenditures:			(\$250,238)
		Ending reserve balance:	<u>\$183,096</u>



1.404.2038

2038-39

Hybrid Reserve Expenditures and Funding Plan
October 1, 2038 through September 30, 2039

Year of forecast:	14
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2038-39:	151.3%

Beginning reserve balance: \$183,096

Recommended reserve contribution: +	\$21,600
Estimated interest earned (2.0% PROJECTED yield rate): +	<u>\$3,878</u>

Total contributions:= \$25,478

Cedar Gables Association, Inc.
2038-39 Expenditures (inflated)

Total expenditures:

Flexibility	Engineering Data Section
	\$0
	Ending reserve balance: <u>\$208,574</u>



2039-40 (Threshold)

Hybrid Reserve Expenditures and Funding Plan

October 1, 2039 through September 30, 2040

Year of forecast:	15
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2039-40 (Threshold):	155.8%

Beginning reserve balance: \$208,574

Recommended reserve contribution: + \$22,200
Estimated interest earned (2.0% PROJECTED yield rate): + \$2,694

Total contributions:= \$24,894

Cedar Gables Association, Inc.

2039-40 Expenditures (inflated)

	Flexibility	Engineering Data Section	
Landscape (10% every 5 years)	discretionary	6.541	(\$14,022)
Light Poles and Fixtures (including wiring)	deferrable	6.601	(\$143,333)
Pavement - Crack Repair and Patch (!)	firm	6.641	(\$12,620)
Total expenditures:			(\$169,974)
		Ending reserve balance:	<u>\$63,494</u>



1.404.2040

2040-41

Hybrid Reserve Expenditures and Funding Plan
October 1, 2040 through September 30, 2041

Year of forecast:	16
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2040-41:	160.5%

Beginning reserve balance: \$63,494

Recommended reserve contribution: +	\$22,900
Estimated interest earned (2.0% PROJECTED yield rate): +	<u>\$1,499</u>

Total contributions:= \$24,399

Cedar Gables Association, Inc.

2040-41 Expenditures (inflated)

Total expenditures:

Flexibility	Engineering Data Section
	\$0
	Ending reserve balance: <u>\$87,893</u>



1.404.2041

2041-42

Hybrid Reserve Expenditures and Funding Plan

October 1, 2041 through September 30, 2042

Year of forecast:	17
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2041-42:	165.3%

Beginning reserve balance: \$87,893

Recommended reserve contribution: +	\$23,600
Estimated interest earned (2.0% PROJECTED yield rate): +	<u>\$1,994</u>

Total contributions:= \$25,594

Cedar Gables Association, Inc.

2041-42 Expenditures (inflated)

Flexibility Engineering Data Section

Total expenditures:

\$0

Ending reserve balance: \$113,487



2042-43

Hybrid Reserve Expenditures and Funding Plan
October 1, 2042 through September 30, 2043

Year of forecast:	18
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2042-43:	170.2%

Beginning reserve balance: \$113,487

Recommended reserve contribution: +	\$24,300
Estimated interest earned (2.0% PROJECTED yield rate): +	<u>\$2,513</u>

Total contributions:= \$26,813

Cedar Gables Association, Inc.
2042-43 Expenditures (inflated)

Total expenditures:

Flexibility	Engineering Data Section	
		\$0
	Ending reserve balance:	<u>\$140,300</u>



1.404.2043

2043-44

Hybrid Reserve Expenditures and Funding Plan
October 1, 2043 through September 30, 2044

Year of forecast:	19
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2043-44:	175.4%

Beginning reserve balance: \$140,300

Recommended reserve contribution: +	\$25,000
Estimated interest earned (2.0% PROJECTED yield rate): +	\$2,914
Total contributions:=	<u>\$27,914</u>

Cedar Gables Association, Inc.

2043-44 Expenditures (inflated)

	Flexibility	Engineering Data Section	
Pavement - Crack Repair and Patch (!)	firm	6.641	(\$14,203)
Total expenditures:			(\$14,203)
		Ending reserve balance:	<u>\$154,010</u>



2044-45

Hybrid Reserve Expenditures and Funding Plan
October 1, 2044 through September 30, 2045

Year of forecast:	20
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2044-45:	180.6%

Beginning reserve balance: \$154,010

Recommended reserve contribution: +	\$25,800
Estimated interest earned (2.0% PROJECTED yield rate): +	\$3,176

Total contributions:= \$28,976

Cedar Gables Association, Inc.

2044-45 Expenditures (inflated)

	Flexibility	Engineering Data Section	
Landscape (10% every 5 years)	discretionary	6.541	(\$16,255)
Total expenditures:			(\$16,255)
		Ending reserve balance:	<u>\$166,731</u>



2045-46

Hybrid Reserve Expenditures and Funding Plan
October 1, 2045 through September 30, 2046

Year of forecast:	21
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2045-46:	186.0%

Beginning reserve balance: \$166,731

Recommended reserve contribution: +	\$26,600
Estimated interest earned (2.0% PROJECTED yield rate): +	\$3,294

Total contributions:= \$29,894

Cedar Gables Association, Inc.
2045-46 Expenditures (inflated)

	Flexibility	Engineering Data Section	
Mailboxes	deferrable	6.621	(\$30,695)
Total expenditures:			(\$30,695)
Ending reserve balance:			<u>\$165,930</u>



2046-47

Hybrid Reserve Expenditures and Funding Plan
October 1, 2046 through September 30, 2047

Year of forecast:	22
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2046-47:	191.6%

Beginning reserve balance: \$165,930

Recommended reserve contribution: +	\$27,400
Estimated interest earned (2.0% PROJECTED yield rate): +	<u>\$3,593</u>
Total contributions:=	<u>\$30,993</u>

Cedar Gables Association, Inc.
2046-47 Expenditures (inflated)

Total expenditures:

Flexibility	Engineering Data Section
	\$0
	Ending reserve balance: <u>\$196,923</u>



1.404.2047

2047-48

Hybrid Reserve Expenditures and Funding Plan

October 1, 2047 through September 30, 2048

Year of forecast:	23
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2047-48:	197.4%

Beginning reserve balance: \$196,923

Recommended reserve contribution: +	\$28,200
Estimated interest earned (2.0% PROJECTED yield rate): +	\$4,061

Total contributions:= \$32,261

Cedar Gables Association, Inc.

2047-48 Expenditures (inflated)

	Flexibility	Engineering Data Section	
Pavement - Crack Repair and Patch (!)	firm	6.641	(\$15,986)
Total expenditures:			(\$15,986)
		Ending reserve balance:	<u>\$213,198</u>



2048-49

Hybrid Reserve Expenditures and Funding Plan
October 1, 2048 through September 30, 2049

Year of forecast:	24
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2048-49:	203.3%

Beginning reserve balance: \$213,198

Recommended reserve contribution: +	\$29,000
Estimated interest earned (2.0% PROJECTED yield rate): +	<u>\$4,554</u>

Total contributions:= \$33,554

Cedar Gables Association, Inc.

2048-49 Expenditures (inflated)

Total expenditures:

Flexibility Engineering Data
Section

	\$0
Ending reserve balance:	<u>\$246,752</u>



1.404.2049

2049-50

Hybrid Reserve Expenditures and Funding Plan

October 1, 2049 through September 30, 2050

Year of forecast:	25
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2049-50:	209.4%

Beginning reserve balance: \$246,752

Recommended reserve contribution: + \$29,900
Estimated interest earned (2.0% PROJECTED yield rate): + \$3,329

Total contributions: = \$33,229

Cedar Gables Association, Inc.

2049-50 Expenditures (inflated)

	Flexibility	Engineering Data Section	
Fences - Along Berm (!)	deferrable	6.281	(\$64,907)
Irrigation System	discretionary	6.521	(\$106,783)
Landscape (10% every 5 years)	discretionary	6.541	(\$18,844)
Total expenditures:			(\$190,534)
		Ending reserve balance:	<u>\$89,448</u>



1.404.2050

2050-51

Hybrid Reserve Expenditures and Funding Plan

October 1, 2050 through September 30, 2051

Year of forecast:	26
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2050-51:	215.7%

Beginning reserve balance: \$89,448

Recommended reserve contribution: +	\$30,800
Estimated interest earned (2.0% PROJECTED yield rate): +	\$1,937

Total contributions:= \$32,737

Cedar Gables Association, Inc.

2050-51 Expenditures (inflated)

	Flexibility	Engineering Data Section	
Monument Renovation (!)	deferrable	6.631	(\$15,959)
Total expenditures:			(\$15,959)
		Ending reserve balance:	<u>\$106,226</u>



2051-52

Hybrid Reserve Expenditures and Funding Plan
October 1, 2051 through September 30, 2052

Year of forecast:	27
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2051-52:	222.1%

Beginning reserve balance: \$106,226

Recommended reserve contribution: +	\$31,700
Estimated interest earned (2.0% PROJECTED yield rate): +	\$2,262

Total contributions:= \$33,962

Cedar Gables Association, Inc.
2051-52 Expenditures (inflated)

	Flexibility	Engineering Data Section	
Pavement - Crack Repair and Patch (!)	firm	6.641	(\$17,992)
Total expenditures:			(\$17,992)
		Ending reserve balance:	<u>\$122,195</u>



2052-53

Hybrid Reserve Expenditures and Funding Plan
October 1, 2052 through September 30, 2053

Year of forecast:	28
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2052-53:	228.8%

Beginning reserve balance: \$122,195

Recommended reserve contribution: +	\$32,700
Estimated interest earned (2.0% PROJECTED yield rate): +	<u>\$2,771</u>

Total contributions:= \$35,471

Cedar Gables Association, Inc.

2052-53 Expenditures (inflated)

Total expenditures:

Flexibility Engineering Data
Section

Ending reserve balance: \$0
\$157,666



1.404.2053

2053-54

Hybrid Reserve Expenditures and Funding Plan
October 1, 2053 through September 30, 2054

Year of forecast: 29
Annual CONSTRUCTION inflation rate (30 year average): 3.0%
Compounded CONSTRUCTION inflation in 2053-54: 235.7%

Beginning reserve balance: \$157,666

Recommended reserve contribution: + \$33,700
Estimated interest earned (2.0% PROJECTED yield rate): + \$3,413

Total contributions:= \$37,113

Cedar Gables Association, Inc.

2053-54 Expenditures (inflated)

	Flexibility	Engineering Data Section	
Fence and Gates - Equipment Storage (!)	deferrable	6.282	(\$7,777)
Total expenditures:			(\$7,777)
		Ending reserve balance:	<u>\$187,003</u>



2054-55

Hybrid Reserve Expenditures and Funding Plan
October 1, 2054 through September 30, 2055

Year of forecast:	30
Annual CONSTRUCTION inflation rate (30 year average):	3.0%
Compounded CONSTRUCTION inflation in 2054-55:	242.7%

Beginning reserve balance: \$187,003

Recommended reserve contribution: +	\$34,700
Estimated interest earned (2.0% PROJECTED yield rate): +	\$3,869

Total contributions:= \$38,569

Cedar Gables Association, Inc.

2054-55 Expenditures (inflated)

	Flexibility	Engineering Data Section	
Landscape (10% every 5 years)	discretionary	6.541	(\$21,845)
Total expenditures:			(\$21,845)
		Ending reserve balance:	<u>\$203,726</u>

CEDAR GABLES ASSOCIATION, INC
FINANCIAL REVIEW AND
DRAFT 2024-25 BUDGET

INCOME	CURRENT BUDGET	ACTUAL 2022	ACTUAL 2023	YTD through 8/31/2024	EST. YEAR END	BUDGET 2024-25
MAINTENANCE FEES	140,400	140,400	140,400	117,000	140,400	140,400
INSURANCE INCOME	43,167	37,781	39,243	110,840	110,840	56,202
INTEREST	300	732	4,762	3,488	4,185	1,000
LATE FEES	-	500	425	525	525	-
RESERVE CONTRIBUTION	15,000	9,752	20,796	13,956	13,956	21,167
MISCELLANEOUS	-	13	-	60	60	-
PREPAID ASSESSMENTS	-	(1,016)	(490)	(303)	(303)	-
LEGAL REIMBURSEMENT	-	-	-	-	-	-
LOAN ASSESSMENT	-	-	-	-	-	-
OPERATING INCOME	\$198,867	\$188,162	\$205,136	\$245,566	\$269,663	\$218,769
OPERATING EXPENSES						
MANAGEMENT	16,194	14,688	15,422	13,495	16,194	16,194
ACCOUNTING	200	195	195	195	195	200
INCOME TAX	-	0	0	1,103	1,103	1,000
LEGAL FEES	500	0	198	2,089	2,089	1,500
INSURANCE	43,167	39,041	37,695	91,446	91,446	56,202
POST/PRINT/FAX	750	688	360	1,312	1,574	1,250
LAWNCARE CONTRACTS	38,523	35,368	34,369	21,977	0	37,822
TREES/LANDSCAPE	2,000	699	2,881	6,015	0	2,000
IRRIGATION SYSTEM	1,200	827	824	4,029	4,029	1,200
SNOW REMOVAL	35,000	18,345	40,467	21,586	0	35,000
REFUSE/RECYCLING	15,243	14,536	14,668	12,098	14,518	15,700
HANDYMAN	10,000	11,556	1,761	975	975	10,000
MAIN/REP/SUPP	4,000	5,423	171	0	0	4,000
ELECTRICITY	1,452	1,121	1,398	957	1,148	1,171
WATER (BERM)	1,000	3,514	464	2,030	2,030	2,100
MISCELLANEOUS	-	55	0	50	50	50
RESERVE**	11,737	22,000	12,811	9,781	11,737	8,205
LOAN ASSMT TO RSV	-	-	0	0	0	-
OWNERS GATHERING	900	751	785	0	0	1,500
MISCELLANEOUS	-	-	-	0	0	-
ELECTRICAL	2,000	2,529	-	0	0	2,000
OPERATING EXPENSES	\$183,867	\$171,335	\$164,468	\$189,139	\$147,088	\$197,094
CAPITAL EXPENSES*						
RESERVE STUDY	\$0	\$0	\$0	\$1,675	\$1,675	\$1,675
FENCES	\$0	\$0	\$10,527	\$0	\$0	\$0
CAPITAL IMPROVEMENTS	\$0	\$0	\$0	\$0	\$0	\$0
LANDSCAPE IMPROVEMENT	\$15,000	\$9,752	\$16,599	\$13,957	\$13,957	\$20,000
TOTAL	\$15,000	\$9,752	\$27,126	\$15,632	\$15,632	\$21,675
NET INCOME	\$0	\$7,075	\$13,541	\$40,795	\$106,943	\$0

*Paid from Capital Reserve Account

** This does not represent the recommendation of Hunt Management. This amount was determined using whatever income was "leftover" assuming the Board's long-standing desire to have no increase to dues. The only recommended guide to project proper reserve funding is a complete Reserve Study.

Summary of Qualifications

Justin J. Maier, P.E., RS
Partner

Services

Justin J. Maier is a partner and co-founder of Superior Reserve Engineering and Consulting. Justin J. Maier provides *expert* reserve and transition studies, and property engineering reviews. Properties that have benefited from his experience include townhome associations, condominium associations, planned unit developments, marinas, resorts, hotels, churches and country clubs. These properties vary from complex high rise buildings to vintage buildings of historical significance. He has provided these services to *more than* 2,500 properties throughout the United States and worldwide.



Prior Experience

Prior to co-founding Superior Reserve with Nik J. Clark, Mr. Maier had conducted reserve and transition studies with Reserve Advisors for 14 years. During this time, he was the Director of Product Development where he oversaw the development, improvement and production efficiency of reserve and transition studies for the firm. He was the leading producer of reserve and transition studies. Mr. Maier was instrumental in improving the quality of reports both in content, clarity and appearance. Reserve Advisors experienced tremendous success based on the standard of reserve and transition study quality that he implemented.

Mr. Maier was a structural engineer for Wausau Window and Wall Systems. There he analyzed stresses in horizontal and vertical components of aluminum frame curtain wall window systems in projects throughout the United States for both wind pressure and suction loads. He was involved in field work to correct improperly installed system components.

Mr. Maier was an Assistant Engineer for Crest Consulting Engineers. His services required on-site field investigation of architectural and structural failures, analysis of the preexisting design and conditions, and determination of the design shortfalls or owner modifications that caused the failures. He designed remedial repairs, produced cost estimates for the repairs, prepared the specifications and oversaw the implementation of the repairs.

Expert Witness

Through the expert witness of Mr. Maier, the Villages at Cumberland Trail in Columbus, Ohio and The Retreat Homeowners Association in Indianapolis, Indiana were able to successfully negotiate a settlement for their construction defects.

Education

Milwaukee School of Engineering (MSOE) - Bachelors of Science in Architectural Engineering

Professional Affiliations

Professional Engineer (P.E.) - licenses held in WI, IL, OH, NY, TX, DC, VA, MD, MI, MN, PA
Reserve Specialist (RS) - credential awarded by Community Association's Institute (CAI)
Certified Pool / Spa Operator - issued by the National Swimming Pool Foundation

Summary of Qualifications

Stefanie L. Petersen, P.E., RS

Services

Stefanie Petersen is an architectural engineer. She joined the reserve study industry in 2001 and obtained her Professional Engineer license in 2005. Since joining the industry 23 years ago, Stefanie has performed reserve studies for various properties including townhomes, condominiums, homeowners' associations, schools, churches, and midrise and high-rise buildings. She has inspected many unique properties including a swim club, multiple buildings from the early 1900's that have been converted from warehouses to condominiums as well as a 1950's hotel that was converted to condominiums. From old buildings to new townhome developments, each style brings its own set of challenges. Through her extensive experience and continuing education, she is prepared to provide you with a comprehensive reserve study tailored to your property's individual needs.



Prior Experience

Prior to joining Superior Reserve, Stefanie had conducted reserve studies throughout the United States with Reserve Advisors. In addition to her extensive experience as a Reserve Specialist/Reserve Analyst there, Stefanie was promoted to the Director of Quality Assurance. During that time, she was responsible for the review of hundreds of reserve studies to ensure consistency and best engineering solutions for clients. She also trained new staff to perform reserve studies.

Stefanie also gained experience working as an Inside Sales Engineer for HVA Products, Inc. There she was responsible for the evaluation of mechanical drawings and specifications, and for providing cost estimates for various types of heating, ventilating and air conditioning (HVAC) equipment. In addition, she managed company wide purchasing of HVAC equipment for clients.

Education

Milwaukee School of Engineering (MSOE) - Bachelors of Science in Architectural Engineering

Professional Affiliations

Professional Engineer (P.E.) - licenses held in WI, IL

Reserve Specialist (RS) – credential awarded by Community Association's Institute (CAI)

Terms, Conditions and Limitations

- 1) Superior Reserve Engineering & Consulting (SREC) will perform a visual inspection of the property. While due diligence will be exercised during the onsite inspection, we make no representations regarding latent or hidden defects not observable from a visual inspection. We do not conduct invasive or destructive testing nor provide an exhaustive review of building code compliance. Material testing, core sampling, performance testing of building or site elements and equipment is not part of the scope of work.
- 2) Our opinions of estimated costs and remaining useful lives are not a guarantee of the actual costs of replacement, a warranty of the common elements or other property elements, or a guarantee of remaining useful lives.
- 3) SREC may rely on information provided to us, by the client named in this contract, in our report. We assume information provided to us by the client to be correct and assume no liability for the accuracy of information provided to us by the client. You agree to indemnify and hold us harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which we have relied upon as supplied by you or others under your direction, or which may result from any improper use or reliance on the report by you or third parties under your control or direction.
- 4) Our Reserve Study Report in whole or part is not and cannot be used as a design specification, design engineering services or an appraisal.
- 5) Substances such as asbestos, urea-formaldehyde foam insulation, other chemicals, toxic wastes, environmental mold or other potentially hazardous materials could, if present, adversely affect the validity of this study. Unless otherwise stated in this report, the existence of hazardous substance, that may or may not be present on or in the property, was not considered. Our opinions are predicated on the assumption that there are no hazardous materials on or in the property. We assume no responsibility for any such conditions. We are not qualified to detect such substances, quantify the impact, or develop the remedial cost.
- 6) In the event of errors in our report, SREC's liability is limited to the cost of this study.

Curbs and Gutters

Age: varies **Frequency:** 20 **Replacement year:** 2037

Material:	concrete
Size (inches):	24
Overall condition:	good to fair
Specific condition:	cracks, concrete deterioration and replaced sections
Locations:	lining the streets
Quantity (linear feet):	5,100
Cost (\$/linear foot):	\$42
Current total cost (note 1):	\$212,000
Coordinate with:	repaving streets
Assumptions:	3,500 psi replacement concrete



replaced section of concrete curb and gutter



cracks



cracks and concrete deterioration



concrete deterioration

(note 1) Concrete curbs and gutters have a useful life of up to 60 years. Replacement of all the curbs and gutters during a single event is unlikely. Instead, we assume periodic replacements of limited quantities.

Fences - Along Berm

Fence age: N/A Useful life: 30 Replacement year: 2049

Material:	wood 2 rail
Locations:	along berm
Fence profile:	horizontal rail
Overall condition:	good to fair
Specific condition:	brush overgrowing fences, and isolated loose rails and weathering
Quantity (linear feet):	620
Cost (\$/linear foot):	\$50
Current total cost:	\$31,000 (\$517 per home)
Replacement cost includes:	remove existing open rail, rustic, No. 1 cedar, 2 rails, 3' high

Actionable recommendations: We observed brush overgrowing the fences. The property should trim back the brush to minimize damage to the fences.



fence along berm



weathering



fence overview



loose rail and brush overgrowing fence

Fence and Gates - Equipment Storage

Fence age: 2023 Useful life: 30 Replacement year: 2053

Material:	wood (cedar)
Location:	equipment storage
Fence profile:	board on board
Picket fastener type:	nails
Post type:	metal
Overall condition:	good
Specific condition:	no visible deterioration
Quantity (linear feet):	50
Cost (\$/linear foot):	\$65
Current total cost:	\$3,300 (\$55 per home)
Operating expenses:	painting (if desired)
Replacement cost includes:	remove existing No. 1 cedar, posts set in concrete gate hardware

Engineering solutions: We note the use of nails at the wood equipment storage fence. Screws are preferred to attach fence components as nail fasteners have a tendency to pull out as the wood warps. Repairs and replacement should utilize screws.



fence at equipment storage



fence overview



metal post

Irrigation System

Age: varies	Useful life: 40	Replacement year: 2049
Locations served:	berm, island at property entrance and monuments	
Operational condition:	satisfactory	
Specific condition:	no known deficiencies	
Water source:	municipality	
Control panel location:	at monument	
Control panel manufacturer:	Hunter	
Irrigated acreage:	1.0	
Area (square feet):	46,000	
Cost (\$/square foot):	\$1.10	
Current total cost:	\$51,000 (\$850 per home)	
Operating expenses:	interim component and small section replacements, winterizing	
Anticipated costs:	drip lines valves control panel rain sensor	



drip line at monument



drip line at berm



control panel



rain sensor

Landscape

Age: 2024 Frequency: 5 Replacement year: 2029

Locations:	berm and islands
Landscaped acreage:	1.1
Overall condition:	good
Specific condition:	planting in process
Estimated cost (note 1):	\$90,000 (\$1,500 per home)
Operating expenses:	mowing, trimming, flowers, sod, mulch, interim replacements, etc.
Assumptions:	We base our tree replacement cost on removal of the existing tree and replacement with a balled and burlapped tree, 8'-10' in height, 1" caliper.
Components:	trees bushes

Green ideas: The property maintains multiple deciduous trees and bushes. Rather than raking leaves in the fall and hauling them to the landfill, the property should mulch the leaves and allow them to decompose into the ground. The majority of the leaves will decompose during the fall and winter. Once the leaf particles settle in, microbes and worms begin to recycle the debris (the application of nitrogen-rich fertilizer can help speed up the decomposition process). Whatever remains in the spring can be cleaned up and either used in planting beds or removed from the site. Mulching leaves will eliminate costs associated with hauling the leaves off the property and ease the burden placed on landfills. Mulching leaves will minimize weed control and nutrient application costs. Mulching leaves recycles a natural resource and provides a richer soil at no cost. The following website provides additional information:

https://www.canr.msu.edu/news/smart_gardeners_mulch_fallen_leaves_into_lawn_to_save_money.

Engineering solutions: Landscape replacement timing is discretionary. Annual operating budgets should include funds for mowing, trimming, flowers and replacement of a limited amount of dead landscape. We include an allowance for periodic partial replacements of landscape to include replacement of overgrown bushes or trees as the property sees necessary. Overgrown bushes and trees can cause damage to adjacent components. Although unpredictable, this allowance could also be used for any landscape that has died from drought, disease, etc.



landscape at island



landscape at berm



dying landscape



planting in process at berm

(note 1) Replacement of all the landscape in a single event is unlikely. Instead, we include an allowance for periodic partial replacements.

Light Poles and Fixtures (including wiring)

Age: varies Useful life: 25 Replacement year: 2039

Pole material:	composite
Quantity of poles (each):	40
Pole height (feet):	6
Fixture material:	metal
Footings:	footings not visible
Bulb type:	LED
Quantity of fixtures (each):	40
Overall condition:	good to fair
Specific condition:	leaning poles, wear at base of poles, and new light fixtures installed on existing poles
Location:	front yards
Average cost (\$/each):	\$2,300
Current total cost:	\$92,000 (\$1,533 per home)
Operating expenses:	painting, bulb replacement
Cost includes:	remove existing install new light poles and fixtures concrete footings subterranean wiring

Actionable recommendations: We noted wear at the base of the light poles from lawn care equipment. The property could consider the installation of mulch, landscaping stone or rubber mulch circles at the base of the poles to minimize wear.



composite light pole with metal light fixture



newer metal light fixture



wear at base of pole from lawn care equipment



leaning pole

Mailboxes

Age: 2025 Useful life: 20 Replacement year: 2045

Materials: wood frames and metal mailboxes

Number of mailboxes: 60

Exposure: unprotected from weather

Overall condition: new

Specific condition: for final report - all mailboxes were replaced in early 2025 (photos are from 2024 inspection)

Cost (\$/mailbox): \$275

Current total cost: \$16,500 (\$275 per home)

Operating expenses: painting

Cost includes: remove existing
new mailboxes
new newspaper boxes
new frames
new flags



Solar Group metal mailboxes on wood frames



rust and finish deterioration at mailboxes



newer mailboxes



varying conditions

Monument Renovation

Renovation age: N/A **Frequency:** 25 **Renovation year:** 2025

Material:	masonry
Locations:	property entrance
Overall condition:	poor
Specific condition:	mortar deterioration, efflorescence and prior repairs
Quantity (each):	2
Cost per monument:	\$3,700
Current total cost:	\$7,400 (\$123 per home)
Operating expenses:	interim repairs
Anticipated costs:	masonry repairs lighting lettering landscape

Green ideas: The property could consider the installation of solar lights to illuminate the monuments. The following website provides solar lights for these applications: <http://www.lightinguup.com>.

Engineering solutions: Efflorescence is a white, powdery deposit of soluble salts carried to the surface of masonry by moisture. The moisture evaporates, leaving the residue. The presence of salts indicates moisture. Efflorescence is evident throughout the monument masonry indicating the masonry is porous. We recommend the property remove the efflorescence through light scrubbing. Once cleaning is complete, the property should apply a breathable masonry sealer that allows water vapor to escape the masonry but prevents liquid water from entering:
http://www.prosoco.com/Content/Documents/Product/BMC_Breathable_Masonry_Coating_II_PDS_093011_S.pdf. The property should fund these maintenance expenses through the operating budget.



monuments at property entrance



mortar deterioration



efflorescence



mortar deterioration and prior repairs

Pavement - Crack Repair and Patch

Repair age: 2023 Frequency: 4 Event year: 2027

Location:	streets
Overall condition:	good to fair
Specific condition:	unrepaired cracks and minor settlement
Quantity (square yards):	6,400
Repair cost (\$/square yard):	\$1.30
Current repair cost:	\$8,100 (\$135 per home)
Assumptions:	repair all open cracks (1/8 to 1 inch wide) and patch deteriorated pavement to minimize water penetration
Anticipated costs:	crack repair patch (1%) repairs to catch basins (12 each)

Green ideas: The property has not seal coated the asphalt pavement streets and we agree with this practice. It is our professional opinion that seal coating asphalt pavement does not extend the useful life of the pavement. Seal coats do not add structural strength to the pavement. Seal coating is also a source of environmental contamination. Many properties opt to save money by *not* seal coating their pavement. If the property decides to seal coat for aesthetic reasons, avoid the use of coal-tar based pavement seal coats as they pollute waterways. Instead, consider a slurry coat of asphaltic emulsion to provide a sacrificial wearing surface to the pavement. Also, if the property chooses to seal coat, we recommend applying the seal coat in the spring rather than the fall. Snow removal equipment wears the seal coat. Application in the spring will provide the maximum visual enjoyment from a fresh seal coat. If seal coat application is desired, the property should fund this expense through the operating budget.

Engineering solutions: The property has conducted appropriate prior repairs and maintenance to the pavement as evident during our inspection. However, additional repairs are needed. Continued maintenance including repairing all cracks and patching potholes in the pavement will prevent water infiltration. This will minimize deterioration of the pavement and underlying base, and maximize the life of the pavement.



repaired and unrepaired cracks



crack repairs



crack at pavement



cracks

Pavement Mill and Overlay - Streets

Age: 2017 Useful life: 20 Paving year: 2037

Material:	asphalt
Location:	streets
Overall condition:	good to fair
Specific condition:	cracks and limited areas of settlement
Typical traffic type:	residential vehicles and garbage trucks
Quantity (square yards):	6,400
Quantity of catch basins:	12
Square yards of pavement per catch basin:	500 (reasonable amount of pavement per drain)
Repaving method:	mill and overlay
Cost (\$/square yard):	\$20
Current total cost:	\$128,000 (\$2,133 per home)
Coordinate with:	partial replacements of concrete curbs and gutters
Anticipated costs:	mill (grind off) pavement (2 inches) overlay new pavement (2 inches) repairs to base pavement (10%) repairs to catch basins (12 each)

Green ideas: The property could determine if cold-in-place recycling (CIR) is an option for the long lengths of streets at the property. This process of repaving includes milling off the top of the existing asphalt pavement, mixing the milled asphalt with an asphalt recycling agent and placing it back down with a paver.

Engineering solutions: The property should mill and overlay the street pavement with the onset of deterioration and prior to widespread deterioration to preserve the base and defer the need for the more costly total replacement method of repaving.



asphalt pavement at street



repaired and unrepaired cracks



crack at street



repairs