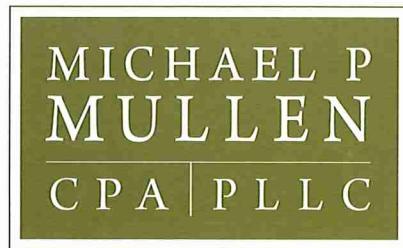


**THE JONATHAN ASSOCIATION, INC.**

**CHASKA, MINNESOTA**

**INDEPENDENT AUDITOR'S REPORT,  
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION**

**FOR THE YEAR ENDED DECEMBER 31, 2017**



THE JONATHAN ASSOCIATION, INC.

FOR THE YEAR ENDED DECEMBER 31, 2017

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
The Jonathan Association, Inc.  
Chaska, Minnesota

We have audited the accompanying financial statements of The Jonathan Association, Inc., which comprise the balance sheet as of December 31, 2017, and the related statements of revenues, expenses, and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Jonathan Association, Inc. as of December 31, 2017, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the supplementary information on future major repairs and replacements on pages 8-12 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Michael P. Mullen, CPA, PLLC

Minneapolis, Minnesota  
February 16, 2018

CERTIFIED PUBLIC ACCOUNTANTS | LICENSED IN MINNESOTA, WISCONSIN AND FLORIDA  
FLORIDA LICENSED COMMUNITY ASSOCIATION MANAGER



## THE JONATHAN ASSOCIATION, INC.

## BALANCE SHEET

DECEMBER 31, 2017

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>ASSETS</b>			
Cash	\$ 607,027	\$ 183,752	\$ 790,779
Certificates of deposit		246,488	246,488
Assessments receivable-net	88,680		88,680
Prepaid expenses	6,736		6,736
Land	238,799		238,799
Property and equipment	141,011		141,011
Less accumulated depreciation	(128,429)		(128,429)
<b>TOTAL ASSETS</b>	<b>\$ 953,824</b>	<b>\$ 430,240</b>	<b>\$ 1,384,064</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
Accounts payable	\$ 11,811		\$ 11,811
Prepaid assessments	258,884		258,884
<b>TOTAL LIABILITIES</b>	<b>270,695</b>		<b>270,695</b>
<b>FUND BALANCE</b>	<b>683,129</b>	<b>\$ 430,240</b>	<b>1,113,369</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 953,824</b>	<b>\$ 430,240</b>	<b>\$ 1,384,064</b>

The accompanying notes are an integral  
part of these financial statements

THE JONATHAN ASSOCIATION, INC.  
 STATEMENT OF REVENUE, EXPENSES AND CHANGES IN FUND BALANCE  
 FOR THE YEAR ENDED DECEMBER 31, 2017

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>REVENUE</b>			
Assessments	\$ 578,443	\$ 275,200	\$ 853,643
Other	56,102		56,102
Interest	<u>1,995</u>	<u>5,861</u>	<u>7,856</u>
<b>Total Revenue</b>	<b><u>636,540</u></b>	<b><u>281,061</u></b>	<b><u>917,601</u></b>
<b>EXPENSES</b>			
Management fees	41,143		41,143
Rubbish removal	4,546		4,546
Depreciation	3,146		3,146
Insurance	28,526		28,526
Utilities	22,894		22,894
Professional fees	64,365		64,365
Labor and related	177,393		177,393
Property taxes	12,274		12,274
Office and administrative	83,212		83,212
Lawn care and snow removal	137,735		137,735
Repair and maintenance	46,838		46,838
Replacement expenses		<u>245,136</u>	<u>245,136</u>
<b>Total Expenses</b>	<b><u>622,072</u></b>	<b><u>245,136</u></b>	<b><u>867,208</u></b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b><u>14,468</u></b>	<b><u>35,925</u></b>	<b><u>50,393</u></b>
<b>FUND BALANCE AT 12/31/16</b>	<b><u>652,931</u></b>	<b><u>410,045</u></b>	<b><u>1,062,976</u></b>
<b>INTERFUND TRANSFER</b>	<b><u>15,730</u></b>	<b><u>(15,730)</u></b>	<b><u>-</u></b>
<b>FUND BALANCE AT 12/31/17</b>	<b><u>\$ 683,129</u></b>	<b><u>\$ 430,240</u></b>	<b><u>\$ 1,113,369</u></b>

The accompanying notes are an integral part of these financial statements

## THE JONATHAN ASSOCIATION, INC.

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2017

	OPERATING FUND	REPLACEMENT FUND	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Cash received from owners	\$ 627,530	\$ 275,200	\$ 902,730
Cash paid to providers	(618,751)	(245,136)	(863,887)
Interest received	1,995	5,861	7,856
Net cash provided by operating activities	<u>10,774</u>	<u>35,925</u>	<u>46,699</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Reinvested interest		(5,225)	(5,225)
Purchase equipment	(15,730)		(15,730)
Net cash provided by investing activities	<u>(15,730)</u>	<u>(5,225)</u>	<u>(20,955)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Interfund transfer	<u>15,730</u>	<u>(15,730)</u>	<u>-</u>
NET INCREASE IN CASH	<u>10,774</u>	<u>14,970</u>	<u>25,744</u>
CASH AT BEGINNING OF YEAR	<u>596,253</u>	<u>168,782</u>	<u>765,035</u>
CASH AT END OF YEAR	<u>\$ 607,027</u>	<u>\$ 183,752</u>	<u>\$ 790,779</u>

The following schedule reconciles the excess of revenue over expenses to net cash provided by operating activities:

Excess of revenue over expenses	\$ 14,468	\$ 35,925	\$ 50,393
Depreciation	3,146		3,146
(Increase) in assessments receivable	(23,278)		(23,278)
Decrease in prepaid expenses	19		19
Increase in accounts payable	155		155
Increase in prepaid assessments	16,264		16,264
Total adjustments	<u>(3,694)</u>	<u>-</u>	<u>(3,694)</u>
Net cash provided by operating activities	<u>\$ 10,774</u>	<u>\$ 35,925</u>	<u>\$ 46,699</u>

The accompanying notes are an integral part of these financial statements

THE JONATHAN ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 1 - ORGANIZATION

The Jonathan Association, Inc. (Association) is a Minnesota nonprofit corporation legally organized as a homeowners association. The Association was incorporated on June 2, 1971 and is responsible for maintaining and preserving the common property within the Jonathan New Town development.

NOTE 2 - DATE OF MANAGEMENT'S REVIEW

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through February 16, 2018, the date that the financial statements were available to be issued.

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Pervasiveness of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fund Accounting

The Association's governing documents provide certain guidelines regarding its financial activities. Therefore, the Association maintains its accounts using fund accounting. Financial resources are classified for accounting and reporting purposes in the following funds:

Operating Fund - This fund is used to account for the financial resources available for the general operations of the Association.

Replacement Fund - This fund is used to accumulate financial resources designated for future major repairs and replacements.

Interest earned

The Board's policy is for interest to remain in the fund in which it is earned.

Member Assessments

Association members are subject to either annual or monthly assessments to provide funds for the Association's operating expenses, future capital acquisitions, and major repairs and replacements. Any excess assessments at year-end are retained by the Association for use in future years.

THE JONATHAN ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES continued

Cash and Certificates of Deposit

The Association maintains cash in checking and savings accounts. The Association also holds three certificates of deposit totaling \$246,488, with varying dates of maturity. Separate cash bank accounts are maintained for each fund. The Association considers all highly liquid investments with an original maturity of three months or less as cash.

Assessments Receivable

Assessments receivable at the balance sheet date totals \$156,730 and represents amounts due from unit owners. These past due balances include, but are not limited to, amounts for monthly assessments, late fees, legal collection fees and other various charges. Owner bankruptcy, unit foreclosure, conciliation court action and/or probate have contributed to the high delinquency amount.

As a result, the Board has established an allowance for doubtful accounts in the amount of \$68,050 that is netted against assessments receivable as shown on the Balance Sheet. The Association's policy is to charge a late fee, retain legal counsel and place liens on the property of homeowners whose assessments are delinquent. This may involve foreclosure on the property after other attempts of collection have failed.

Property and Equipment

The Association's policy is to capitalize all property and equipment to which it has title or other evidence of ownership with the exception of real property directly associated with the units.

Examples of capitalized property and equipment consists of common personal property and common real property to which it has title and that it can dispose of for cash while retaining the proceeds or that is used to generate significant cash flows from members on the basis of usage or from nonmembers.

Examples of property not capitalized consist of sidewalks, access roads, and greenbelts. Property and equipment acquired by the Association are recorded at cost and is being depreciated over its estimated useful life using the straight line method. Real property (land) contributed to the Association by the developer is recorded at estimated fair value at the date of contribution, and is not depreciated.

THE JONATHAN ASSOCIATION, INC.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

NOTE 4 - INCOME TAXES

The Association is an exempt organization under Section 501(c)(4) of the Internal Revenue Code. Under that code the Association pays income taxes only on income generated from unrelated business activities. During the year, the Association did not have income from such activities. For the year ended December 31, 2017, the Association filed form 990.

The Association's tax returns for the past three years remain open for examination by taxing authorities.

NOTE 5 - FUTURE MAJOR REPAIRS AND REPLACEMENTS

The Association's governing documents contain provisions to accumulate funds for future major repairs and replacements. Accumulated funds, which aggregate \$430,240 at December 31, 2017, are generally not available for operating purposes.

In 2017, the Association hired an outside firm to update the study, which estimates the remaining useful lives for all of the components of common property and current estimates of costs of major repairs and replacements that may be required in the future. Estimates were determined based on industry information available to them, along with prior experience and inspection of the property.

The Association is funding for such major repairs and replacements over the estimated useful lives of the components based on the study's estimates of current replacement costs, considering amounts previously accumulated in the replacement fund. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may or may not be adequate to meet future needs. If additional funds are needed, however, the Association has the right to pass special assessments or delay replacement or maintenance until funds are available. Special assessments require assent of two-thirds of the vote of each class of members. The effect on future assessments has not been determined at this time.

**SUPPLEMENTARY INFORMATION**

THE JONATHAN ASSOCIATION, INC.

SUPPLEMENTARY INFORMATION ON  
FUTURE MAJOR REPAIRS AND REPLACEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2017

In 2017, the Association hired an outside firm to update the study, which estimates the remaining useful lives for all of the components of common property and current estimates of costs of major repairs and replacements that may be required in the future. Estimates were determined based on industry information available to them, along with prior experience and inspection of the property.

Estimated current replacement costs and estimated remaining useful lives have not been revised since the date of the study and do not take into account the effects of any expenditures or differences in the estimates.

The total replacement fund balance at December 31, 2017 is \$430,240. The board has not allocated the replacement fund balance to each component.

The attached schedule is based on the study and presents significant information about the components of common property.

**RESERVE EXPENDITURES****The Jonathan Association**  
Chaska, Minnesota

Line Item	Total Quantity	Per Phase	Quantity	Units	Reserve Component Inventory			Estimated 1st Year of Event	Years Used Remaining	Life Analysis,			Costs \$ (2016)	Unit Per Phase	Total (2016)	36-Year Total (Inflated)	RUL = 0 FY2016	1 2017	2 2018	3 2019	4 2020	5 2021	6 2022	7 2023	8 2024	9 2025	10 2026	11 2027	12 2028	13 2029	14 2030	15 2031
					Neighborhood #1 Elements					Neighborhood #2 Elements																						
1,360	1	1 Each			Bus Shelter, Wood, Refurbishment			2024	10 to 20	8	3,000.00	3,000	3,000	8,404																	3,460	
1,650	5	5 Each			Mailbox Stations, Metal			2025	10 to 25	12	1,800.00	9,000	9,000	11,148																	11,148	
1,660	1	1 Each			Playground Equipment			2027	15 to 25	11	28,000.00	28,000	28,000	81,043																	34,071	
1,750	360	360 Square Feet			Retaining Wall, Masonry			2045	10 to 35	29	42.00	15,120	15,120	25,365																	980	
1,810	1	1 Each			Signage			2031	15 to 20	15	750.00	750	750	2,261																	980	
2,650	1	1 Each			Mailbox Station, Metal			2032	10 to 25	16	1,800.00	1,800	1,800	2,395																	980	
2,810	1	1 Each			Signage			2033	15 to 20	15	750.00	750	750	2,261																980		
3,360	1	1 Each			Mail Pavilion, Wood, Refurbishment			2019	10 to 20	3	3,500.00	3,500	3,500	8,692																	3,692	
3,650	3	3 Each			Mailboxes			2019	15 to 25	2	30,000.00	30,000	30,000	50,64																50,64		
3,660	1	1 Each			Playground Equipment			2031	15 to 20	15	750.00	750	750	2,261																980		
3,810	1	1 Each			Signage																									980		
4,360	1	1 Each			Mail Pavilion, Wood, Refurbishment			2019	10 to 20	3	4,000.00	4,000	4,000	4,220																4,220		
4,660	4	4 Each			Mailboxes			2019	10 to 20	3	1,400.00	5,600	5,600	5,908																5,908		
4,650	3	3 Each			Mailbox Stations, Metal			2032	10 to 25	16	1,600.00	4,800	4,800	5,398																5,398		
4,660	1	1 Each			Playground Equipment			2030	15 to 25	14	22,000.00	22,000	22,000	28,242																28,242		
4,810	1	1 Each			Signage			2031	15 to 20	15	750.00	750	750	2,261																980		
5,360	1	1 Each			Mail Pavilion, Wood, Refurbishment			2024	10 to 20	8	3,500.00	3,500	3,500	9,045																4,037		
5,600	1	1 Each			Mailboxes			2024	10 to 20	8	7,000.00	7,000	7,000	19,069																8,074		
5,660	1	1 Each			Playground Equipment			2030	15 to 25	14	40,000.00	40,000	40,000	51,349																51,349		
5,810	1	1 Each			Signage			2031	15 to 20	15	750.00	750	750	2,261																980		
6,100	600	600 Square Yards Asphalt Pavement, Basketball Court, Total Replacement			Bus Shelters and Mail Pavilions, Wood, Refurbishment			2017	15 to 20	1	39,50	23,700	23,700	57,390																24,127		
6,360	3	3 Each			Mailboxes			2019	10 to 20	3	3,500.00	10,500	10,500	26,904																11,077		
6,650	1	1 Each			Mailbox Stations, Metal			2032	10 to 25	16	1,600.00	1,600	1,600	4,037																1,688		
6,660	1	1 Each			Playground Equipment			2021	15 to 25	5	19,000.00	19,000	19,000	49,412																20,773		
6,810	2	2 Each			Signage			2031	15 to 20	15	750.00	1,500	1,500	4,522																1,950		
6,820	1	1 Allowance			Signage, Monument, Masonry, Refurbishment			2025	15 to 20	9	3,500.00	3,500	3,500	9,982																4,110		

See Independent Auditor's Report

**RESERVE EXPENDITURES**

**The Jonathan  
Association  
Oshkosh, Minnesota**

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years Useful Remaining	Costs, \$		Unit Per Phase (2016)	Total (2016)	30-Year Total (Initiated)	RUL = 0 FY2016	1 2017	2 2018	3 2019	4 2020	5 2021	6 2022	7 2023	8 2024	9 2025	10 2026	11 2027	12 2028	13 2029	14 2030	15 2031
							2019	2020																			
7,560	1	1 Each	Mail Pavilion, Wood, Refurbishment	Neighborhood #7 Elements	2019	10 to 20	3	4,500.00	4,500	4,500	11,530	4,747															
7,560	15	15 Each	Mailboxes		2019	10 to 20	3	1,600.00	24,000	24,000	61,944	25,319															
7,560	2	2 Each	Playground Equipment		2029	15 to 25	13	34,000.00	68,000	68,000	85,449	85,749															
7,810	3	3 Each	Signage		2031	15 to 20	15	750.00	2,250	2,250	6,783	2,940															
8,360	1	1 Each	Mail Pavilions, Wood, Refurbishment	Neighborhood #8 Elements	2019	10 to 20	3	3,500.00	3,500	3,500	8,958	3,652															
8,650	7	7 Each	Mailboxes		2019	10 to 20	3	1,600.00	11,200	11,200	28,688	11,816															
8,660	1	1 Each	Playground Equipment		2027	15 to 25	11	35,000.00	35,000	35,000	101,305	42,589															
8,730	400	400 Square Feet	Rerailing Walls, Stone Masonry (Replace with Interlocking Masonry)		2019	10 to 35	3	48.00	19,200	19,200	20,256	20,256															
8,810	1	1 Each	Signage		2031	15 to 20	15	750.00	750	750	2,261	980															
9,360	1	1 Each	Mail Pavilions, Wood, Refurbishment	Neighborhood #9 Elements	2019	10 to 20	3	3,000.00	3,000	3,000	7,687	3,165															
9,660	3	3 Each	Mailboxes		2019	10 to 20	3	2,000.00	6,000	6,000	15,374	6,330															
9,660	1	1 Each	Playground Equipment		2027	15 to 25	11	35,000.00	35,000	35,000	101,305	42,589															
9,810	2	2 Each	Signage		2031	15 to 20	15	750.00	1,500	1,500	4,522	1,960															
10,360	3	1 Each	Mail Pavilions, Wood, Refurbishment	Neighborhood #10 (Tuscany Hills) Elements	2019	10 to 20	3	4,000.00	12,000	12,000	30,748	12,650															
10,600	8	8 Each	Mailboxes		2019	10 to 20	3	1,700.00	13,600	13,600	34,847	14,348															
10,660	1	1 Each	Playground Equipment		2027	15 to 25	11	30,000.00	30,000	30,000	103,833	36,505															
10,820	1	1 Allowance	Signage, Monument, Stucco and Masonry, Refurbishment		2018	15 to 20	2	7,500.00	7,500	7,500	18,877	7,772															
11,360	3	3 Each	Mail Pavilions, Wood, Refurbishment	Neighborhood #11 (Victory Way) Elements	2024	10 to 20	8	3,500.00	10,800	10,800	29,444	12,111															
11,660	16	16 Each	Mailboxes		2024	10 to 20	8	1,700.00	27,200	27,200	76,197	31,373															
11,660	2	2 Each	Mailbox Stations, Metal		2019	10 to 25	3	1,800.00	3,600	3,600	9,731	3,798															
11,660	2	1 Each	Playground Equipment, Phased		2027	15 to 25	11 to 14	25,500.00	25,500	51,000	105,543																
11,720	120	120 Square Feet	Rerailing Walls, Masonry		2034	10 to 35	18	42.00	5,640	5,640	6,948	2,644															
11,810	2	2 Each	Signage, Metal with Masonry		2031	15 to 20	15	1,000.00	2,000	2,000	6,030																
11,820	1	-1 Allowance	Signage, Monument, Wood and Concrete, Refurbishment		2024	15 to 20	8	3,500.00	3,500	3,500	9,865	4,037															
12,360	2	2 Each	Mail Pavilions, Wood, Refurbishment	Neighborhood #12 (Heather Ridge) Elements	2024	10 to 20	8	3,500.00	7,000	7,000	19,669	6,074															
12,660	4	4 Each	Mailboxes		2024	10 to 20	8	1,800.00	7,200	7,200	20,770																
12,660	1	1 Each	Playground Equipment		2027	15 to 25	11	25,000.00	25,000	25,000	72,560	30,420															
12,820	1	-1 Allowance	Signage, Monument, Masonry, Refurbishment		2026	15 to 20	10	6,000.00	6,000	6,000	17,419	7,172															

See Independent Auditor's Report

**RESERVE EXPENDITURES**

The Jonathan  
Association  
Chaska, Minnesota

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated Event:	Life Analysis, Years Used/ Remaining	Costs, \$ (2016)	Unit Per Phase (2016)	30-Year Total (Inflated)		RUL = 0 FY2016	1 2017	2 2018	3 2019	4 2020	5 2021	6 2022	7 2023	8 2024	9 2025	10 2026	11 2027	12 2028	13 2029	14 2030	15 2031				
									Total	Per Phase																				
<b>Clover Field Elements</b>																														
13.200	1	1	Each	Gazebo	2025	15 to 25	9	12,000.00	12,000	12,000	34,221																			
13,600	9	9	Each	Mailbox Stations, Metal	2028	10 to 25	12	1,800.00	16,200	16,200	20,067																	20,067		
13,620	1	1	Allowance	Mailbox Stations, Wood Frame (Replace with Metal Cluster Boxes)	2017	10 to 20	1	7,150.00	7,150	7,150	18,220																			
13,660	1	1	Each	Playground Equipment, Headquarters Roads	2030	15 to 25	14	28,000.00	28,000	28,000	35,944																	35,944		
13,670	1	1	Each	Playground Equipment, Juliet Park, Proposed	2018	15 to 25	2	25,000.00	25,000	25,000	61,627																			
13,820	1	1	Allowance	Signage, Monument, Masonry, Refurbishment	2026	10 to 20	10	5,500.00	5,500	5,500	15,574																	15,574		
<b>Clover Preserve Elements</b>																														
14,360	1	1	Each	Mail Pavilion, Wood, Refurbishment	2024	10 to 20	8	4,000.00	4,000	4,000	11,206																			
14,500	6	6	Each	Mailboxes	2024	10 to 20	8	1,800.00	16,800	16,800	20,255																	12,457		
14,660	1	1	Each	Playground Equipment	2030	15 to 25	14	28,000.00	28,000	28,000	35,944																	35,944		
<b>Clover Ridge Elements</b>																														
15,360	1	1	Each	Bus Shelter, Wood, Refurbishment	2024	10 to 20	8	3,500.00	3,500	3,500	9,005																	4,037		
15,600	16	16	Each	Mailbox Stations, Metal	2032	10 to 25	16	2,100.00	33,600	33,600	44,700																			
15,620	1	1	Allowance	Mailbox Stations, Wood Frame (Replace with Metal Cluster Boxes)	2018	10 to 20	2	7,300.00	7,300	7,300	19,382																	7,565		
<b>Traditions Elements</b>																														
16,360	2	2	Each	Mail Pavilions, Wood, Refurbishment	2024	10 to 20	8	3,000.00	6,000	6,000	16,008																		6,920	
16,600	4	4	Each	Mailboxes	2024	10 to 20	6	1,600.00	6,400	6,400	17,329																		7,382	
16,650	9	9	Each	Mailbox Stations, Metal	2032	10 to 25	16	1,800.00	16,200	16,200	21,552																		35,944	
16,660	1	1	Each	Playground Equipment	2030	15 to 25	14	28,000.00	28,000	28,000	35,944																			
16,750	1	1	Allowance	Trellis, Columns and Pavers, Refurbishment	2022	15 to 25	6	20,000.00	20,000	20,000	52,349																	22,260		
<b>Autumn Woods Elements</b>																														
17,280	1	1	Each	Mail Pavilions, Brick, Refurbishment	2024	10 to 20	6	6,000.00	6,000	6,000	16,008																		6,920	
17,350	2	2	Each	Mail Pavilions, Wood, Refurbishment	2019	10 to 20	3	3,300.00	6,600	6,600	16,311																		6,963	
17,600	4	4	Each	Mailboxes	2019	10 to 20	3	1,600.00	6,400	6,400	16,399																		6,752	
17,620	1	1	Allowance	Mailbox Stations, Wood Frame (Replace with Metal Cluster Boxes)	2019	10 to 20	3	6,475.00	6,475	6,475	21,715																		8,941	
17,650	8	8	Each	Mailbox Stations, Metal	2028	10 to 25	12	1,800.00	14,400	14,400	17,338																		17,338	
17,660	2	1	Each	Playground Equipment (Includes Basketball Court), Phased	2021	15 to 25	5 to 11	35,000.00	35,000	70,000	192,325																		36,265	
17,820	4	4	Each	Signage, Monument, Brick, Refurbishment	2024	15 to 20	8	2,500.00	10,000	10,000	26,013																		11,534	
17,825	1	1	Each	Signage, Monument, Stucco and Composite, Refurbishment	2031	15 to 20	15	3,500.00	3,500	3,500	10,351																		4,574	
<b>Oak Valley Elements</b>																														
18,650	4	4	Each	Mailbox Stations, Metal	2032	10 to 25	16	1,800.00	7,200	7,200	9,578																			
18,810	1	1	Each	Signage	2031	15 to 20	15	850.00	850	850	2,563																		1,111	
<b>Kath House Elements</b>																														
19,040	1,450	1,450	Square Yards	Asphalt Pavement, Total Replacement, Parking Areas and Driveway	2031	15 to 20	15	31,00	57,350	57,350	74,946																		74,946	
19,110	1	1	Allowance	Building Services Equipment	2032	12 to 18	16	3,800.00	3,800	3,800	5,055																			
19,450	1	1	Allowance	Exterior Renovation, Partial	2017	10 to 15	1	6,500.00	6,500	6,500	26,015																		6,617	
19,500	1	1	Allowance	Interior Renovation	2018	10 to 20	2	10,000.00	10,000	10,000	52,005																	10,365		
19,600	4	2	Each	Light Poles and Fountains, Phased	2020	10 to 25	4 to 16	2,000.00	4,000	8,000	17,830																	4,725		

See Independent Auditor's Report

Explanatory Notes:

1) 1.0% is the estimated future inflation rate for estimating future replacement costs.

2) FY2016 is the fiscal year beginning January 1, 2016 and ending December 31, 2016.

Years 2016 to 2031

## RESERVE EXPENDITURES

The Jonathan Association

See Independent Auditor's Report