

THE BACK OF THE ENVELOPE

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| 12/31/2015 | Capital reserves \$650,000 |
| 12/31/2019 | <u>No significant increase</u> in reserves as annual contributions consumed by repaving of the “Lower 40” and other more routine annual capital expenditures |
| 12/31/2023 | All roofs now 20 years of age and entering the replacement zone. Cost of replacement \$2,000,000. Assuming annual contributions of \$150,000 and only \$20,000 of other capital expenditures, reserves are now \$1,170,000. VBW repaving next year at a cost of \$213,000. |
| 12/31/2027 | Assuming annual contributions of \$150,000 and only \$20,000 of other Capital expenditures, reserves now \$1,460,000 without roof expenditure |
| 12/31/2029 | Assuming annual contributions of \$150,000 and only \$20,000 of other capital expenditures, reserves now \$1,790,000 without roof expenditure |
| 12/31/2031 | Assuming annual contributions of \$150,000 and only \$20,000 of other capital expenditures, reserves now \$2,050,000 without roof expenditure |
| 12/31/2034 | Roofing year per 2014 Noblin report, reserves now \$2,440,000 against \$2,000,000 cost to reshingle. Vinyl siding replacement anticipated in 2039 at a cost of \$1,800,000 and the whole paving cycle begins again |

Other assumptions and notes

A 2% annual increase will be needed just to offset the impact of inflation on operating expenses

Other Noblin expenses and timing reasonable

