

RESERVE ANALYSIS REPORT

Cross Creek Condos - 200/300 Bldgs.

Frisco, Colorado

Version 2

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Preface

This preface is intended to provide an introduction to the enclosed reserve analysis as well as detailed information regarding the reserve analysis report format, reserve fund goals/objectives and calculation methods. The following sections are included in this preface:

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◆ ◆ ◆ ◆ INTRODUCTION TO RESERVE BUDGETING ◆ ◆ ◆ ◆

The Board of Directors of an association has a legal and fiduciary duty to maintain the community in a good state of repair. Individual unit property values are significantly impacted by the level of maintenance and upkeep provided by the association as well as the amount of the regular assessment charged to each owner.

A prudent plan must be implemented to address the issues of long-range maintenance, repair and replacement of the common areas. Additionally, the plan should recognize that the value of each unit is affected by the amount of the regular assessment charged to each unit.

There is a fine line between “not enough,” “just right” and “too much.” Each member of an association should contribute to the reserve fund for their proportionate amount of “depreciation” (or “use”) of the reserve components. Through time, if each owner contributes a “fair share” into the reserve fund for the depreciation of the reserve components, then the possibility of large increases in regular assessments or special assessments will be minimized.

An accurate reserve analysis and a “healthy” reserve fund are essential to protect and maintain association common areas and property values of individual unit owners. A comprehensive reserve analysis is one of the most significant elements of any association's long-range plan and provides the critical link between sound business judgment and good fiscal planning. The reserve analysis provides a “financial blueprint” for the future of an association.

◆ ◆ ◆ ◆ UNDERSTANDING THE RESERVE ANALYSIS ◆ ◆ ◆ ◆

In order for the reserve analysis to be useful, it must be understandable by a variety of individuals. Board members (from seasoned, experienced Board members to new Board members), property managers, accountants, attorneys and homeowners may ultimately review the reserve analysis. The reserve analysis must be detailed enough to provide a comprehensive analysis, yet simple enough to enable less experienced individuals to understand the results.

There are four key bits of information that a comprehensive reserve analysis should provide: Budget, Percent Funded, Projections and Inventory. This information is described as follows:

Budget

Amount recommended to be transferred into the reserve account for the fiscal year for which the reserve analysis is prepared. In some cases, the reserve analysis may present two or more funding plans based on different goals/objectives. The Board should have a clear understanding of the differences among these funding goals/objectives prior to implementing one of them in the annual budget.

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Percent Funded

Measure of the reserve fund "health" (expressed as a percentage) as of the beginning of the fiscal year for which the reserve analysis is prepared. This figure is the ratio of the actual reserve fund on hand to the fully funded balance. A reserve fund that is "100% funded" means the association has accumulated the proportionately correct amount of money, to date, for the reserve components it maintains.

Projections

Indicate "level of service" the association will provide the membership as well as a "road map" for the fiscal future of the association. Projections define the timetables for repairs and replacements, such as when buildings will be painted or when asphalt will be seal coated. Projections also show the financial plan for the association – when an underfunded association will "catch up" or how a properly funded association will remain fiscally "healthy."

Inventory

Complete listing of reserve components. Key bits of information are available for each reserve component, including placed-in-service date, useful life, remaining life, replacement year, quantity, current cost of replacement, future cost of replacement and analyst's comments.

◆ ◆ ◆ ◆ RESERVE FUNDING GOALS / OBJECTIVES ◆ ◆ ◆ ◆

There are four reserve funding goals/objectives which may be used to develop a reserve funding plan that corresponds with the risk tolerance of the association: Full Funding, Baseline Funding, Threshold Funding and Statutory Funding. These goals/objectives are described as follows:

Full Funding

Describes goal/objective to have reserves on hand equivalent to the value of the deterioration of each reserve component. The objective of this funding goal is to achieve and/or maintain a 100% percent funded reserve fund. Component calculation method or directed cash flow calculation method is typically used to develop a full funding plan.

Baseline Funding

Describes goal/objective to have sufficient reserves on hand to never completely run out of money. The objective of this funding goal is to simply pay for all reserve expenses as they come due without regard to the association's percent funded. Minimum cash flow calculation method or directed cash flow calculation method s typically used to develop a baseline funding plan.

Threshold Funding

Describes goal/objective other than the 100% level (full funding) or just staying cash-positive (baseline funding). This threshold goal/objective may be a specific percent funded target or a cash balance target. Threshold funding is often a value chosen between full funding and baseline funding. Minimum cash flow calculation method or directed cash flow calculation method is typically used to develop a threshold funding plan.

Statutory Funding

Describes goal/objective as described or required by local laws or codes. Component calculation method, minimum cash flow calculation method or directed cash flow calculation method may be used to develop a statutory funding plan, depending on the requirements.

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◆ ◆ ◆ ◆ RESERVE FUNDING CALCULATION METHODS ◆ ◆ ◆ ◆

There are three funding methods which can be used to develop a reserve funding plan based on reserve funding goals/objectives: Component Calculation Method, Minimum Cash Flow Calculation Method and Directed Cash Flow Calculation Method.

Directed cash flow calculation method offers flexibility for developing custom funding plans. Directed cash flow calculation method funding plans can accommodate use of various contribution increases and/or special assessments (or loans) through time. As the name suggests, the user “directs” the funding plan as needed to achieve reserve funding goals or objectives. Because of this flexibility, the vast majority of reserve analyses are developed using the directed cash flow calculation method. Whereas component calculation method funding plans and minimum cash flow calculation method funding plans are typically used as reference information; usually considered the “floor” (minimum cash flow calculation method) and “ceiling” (component calculation method) of a reasonable reserve funding plan.

The three calculation methods are described as follows:

Component Calculation Method

Component calculation method develops a funding plan for each individual reserve component. The sum of the funding plan for each component equals the total funding plan for the association. This method is often referred to as the “straight line” method. This method structures a funding plan that enables the association to pay all reserve expenditures as they come due, enables the association to achieve the fully funded reserves in time, and then enables the association to maintain fully funded reserves through time. The following is a detailed description of component calculation method:

Step 1: Calculation of fully funded balance for each component

Fully funded balance is calculated for each component based on its age, useful life and current cost. The actual formula is as follows:

$$\text{Fully Funded Balance} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Cost}$$

Step 2: Distribution of current reserve funds

Association's current reserve funds are assigned to (or distributed amongst) reserve components based on each component's remaining life and fully funded balance as follows:

Pass 1: Components are organized in remaining life order, from least to greatest, and the current reserve funds are assigned to each component up to its fully funded balance, until reserve funds are exhausted.

Pass 2: If all components are assigned their fully funded balance and additional funds exist, they are assigned in a “second pass.” Again, components are organized in remaining life order, from least to greatest, and remaining current reserve funds are assigned to each component up to its current cost, until reserve funds are exhausted.

Pass 3: If all components are assigned their current cost and additional funds exist, they are assigned in a “third pass.” Components with a remaining life of zero years are assigned double their current cost, until reserve funds are exhausted. After pass 3, if additional reserve funds remain, there are excess reserves.

Distributing, or assigning, reserve funds in this manner is the most efficient use of the funds on hand – it defers the make-up period of any underfunded reserves over the lives of the components with the largest remaining lives.

Step 3: Developing a funding plan

After step 2, all components have a “starting” balance. A calculation is made to determine what funding would be required to get from the starting balance to the future cost over the number of years remaining until replacement. The funding plan incorporates the contribution increase parameter to develop a “stair stepped” contribution.

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For example, if an association needs to accumulate \$100,000 in ten years, \$10,000 could be contributed each year. Alternatively, the association could contribute \$8,723 in the first year and increase the contribution by 3% each year thereafter until the tenth year.

In most cases, the contribution increase parameter should match the inflation parameter. Matching the contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the "time value of money," this creates the most equitable distribution of member contributions through time.

Using a contribution increase parameter that is greater than the inflation parameter will reduce the burden to current members at the expense of future members. Using a contribution increase parameter that is less than the inflation parameter will increase the burden to the current members to the benefit of future members. The following chart shows a comparison:

	0% Increase	3% Increase	10% Increase
Year 1	\$10,000.00	\$8,723.05	\$6,274.54
Year 2	\$10,000.00	\$8,984.74	\$6,901.99
Year 3	\$10,000.00	\$9,254.28	\$7,592.19
Year 4	\$10,000.00	\$9,531.91	\$8,351.41
Year 5	\$10,000.00	\$9,817.87	\$9,186.55
Year 6	\$10,000.00	\$10,112.41	\$10,105.21
Year 7	\$10,000.00	\$10,415.78	\$11,115.73
Year 8	\$10,000.00	\$10,728.25	\$12,227.30
Year 9	\$10,000.00	\$11,050.10	\$13,450.03
Year 10	\$10,000.00	\$11,381.60	\$14,795.04
TOTAL	\$100,000.00	\$100,000.00	\$100,000.00

One major benefit of using component calculation method is that for any single component (or group of components), reserve funding can be precisely calculated. For example, using this calculation method, the reserve analysis can indicate the exact amount of current reserve funds "in the bank" for the roofs and the amount of money being funded towards the roofs each month. This information is displayed on the Management Summary and Charts as well as elsewhere within the report.

Minimum Cash Flow Calculation Method

Minimum cash flow calculation method develops a funding plan based on current reserve funds and projected expenditures during a specific timeframe (typically 30 years). This funding method structures a funding plan that enables the association to pay for all reserve expenditures as they come due, but is not concerned with the ideal level of reserves or percent funded through time.

This calculation method tests reserve contributions against reserve expenditures through time to determine the minimum contribution necessary (baseline funding). This calculation method will determine the minimum reserve contribution to ensure that the beginning reserve balance is sufficient to pay for the scheduled expenditures in each year. By definition, this calculation method will create a funding plan where, at some point over the projection period, the beginning reserve fund balance will equal the expenditures for that year. Under some conditions, based on reserve expenditure profile, this calculation method produces a funding plan that will take the association into an overfunded status through time; in these cases, directed cash flow calculation method can be used to optimize results.

Minimum cash flow calculation method is not without downsides... Unlike component calculation method, the minimum cash flow calculation method cannot precisely calculate reserve funding for any single component (or group of components). In order to work-around this issue to provide this bookkeeping information, a formula has been applied to component calculation method results to calculate a reasonable breakdown. This information is displayed on the Management Summary and Charts as well as elsewhere within the report. Using minimum cash flow calculation method typical-

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ly requires an annual reallocation of reserve funds (amongst reserve components) to ensure each component remains properly funded through time. Associations in states that require segregated reserve funds for certain components (i.e. roofs, painting, etc.), should pay special attention to this issue; it may be desirable to complete separate reserve analyses for segregated reserve components.

Directed Cash Flow Calculation Method

Directed cash flow calculation method develops a funding plan based on current reserve funds and projected expenditures during a specific timeframe (typically 30 years). This funding method structures a funding plan that enables the association to pay for all reserve expenditures as they come due and, if possible, determine the optimal funding plan to achieve 100% funding over the projection period.

Directed cash flow calculation method offers flexibility for developing custom funding plans. Directed cash flow funding plans can accommodate use of various contribution increases and/or special assessments (or loans) through time. As the name suggests, the user “directs” the funding plan as needed to achieve any reserve funding goals or objectives. Because of this flexibility, the vast majority of reserve analyses are developed using this calculation method.

Directed cash flow calculation method is not without downsides... Unlike component calculation method, the directed cash flow calculation method cannot precisely calculate reserve funding for any single component (or group of components). In order to work-around this issue to provide this bookkeeping information, a formula has been applied to component calculation method results to calculate a reasonable breakdown. This information is displayed on the Management Summary and Charts as well as elsewhere within the report. Using directed cash flow calculation method typically requires an annual reallocation of reserve funds (amongst reserve components) to ensure each component remains properly funded through time. Associations in states that require segregated reserve funds for certain components (i.e. roofs, painting, etc.), should pay special attention to this issue; it may be desirable to complete separate reserve analyses for segregated reserve components.

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◆ ◆ ◆ ◆ READING THE RESERVE ANALYSIS ◆ ◆ ◆ ◆

In some cases, the reserve analysis may be a lengthy document of one hundred pages or more. A complete and thorough review of the reserve analysis is always a good idea. However, if time is limited, it is suggested that a thorough review of the summary pages be made. If a “red flag” is raised in this review, the reader should then check the detail information (“Component Detail”), of the component in question, for all relevant information. In this section, a description of most of the summary or report sections is provided along with comments regarding what to look for and how to use each section.

Executive Summary

Provides general information about project, global parameters used in the calculation of the reserve analysis as well as the core results of the reserve analysis.

Client Information

Provides information including fiscal year for which reserve analysis is prepared, number of units, etc.

Global Parameters

Displays calculation parameters that were used to calculate reserve analysis including inflation, contribution increase, investment rate, tax rate and contingency.

Community Profile

Provides brief description of community as well as other “global” comments.

Budget

Provides recommended funding for fiscal year for which reserve analysis is prepared. Indicates reserve funding from membership, anticipated interest contribution and total contribution requirement.

Sample Condominium Association			
Executive Summary			
Directed Cash Flow Method			
Client Information		Global Parameters	
Account Number	00002	Inflation Rate	2.50%
Version Number	1	Annual Contribution Increase	2.50%
Analysis Date	1/16/2023	Investment Rate	1.00%
Fiscal Year	1/1/2022 to 12/31/2022	Taxes on Investments	30.00%
Number of Condominiums	275	Contingency	3.00%
Community Profile			
This community consists of 275 attached condominium units with private roadways, pool area and extensive landscaped areas.			
For budgeting purposes, unless otherwise indicated, we have used January 1994 as the average placed-in-service date for aging the original components included in this analysis.			
ARS site visits: August 24, 2021; July 2018; August 2015; June 2012 and August 2009			
Adequacy of Reserves as of January 1, 2022			
Anticipated Reserve Balance			\$2,860,500.00
Fully Funded Reserve Balance			\$5,089,099.96
Percent Funded			56.21%
Deficit per Condominium			\$8,104.00
Funding for the 2022 Fiscal Year			
	Annual	Monthly	Per Month
Member Contribution	\$524,159	\$43,679.89	\$158.84
Interest Contribution	\$20,842	\$1,736.83	\$6.32
Total Contribution	\$545,001	\$45,416.72	\$165.15

Adequacy of Reserves

Displays results of calculations with regard to “health” of reserve fund as of beginning of fiscal year for which the reserve analysis is prepared. Provides anticipated reserve balance, fully funded reserve balance and percent funded.

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Calculation of Percent Funded

Summary displays all reserve components, shown here in "category" order. Provides remaining life, useful life, current cost and fully funded balance at beginning of fiscal year for which the reserve analysis is prepared.

Reserve Components

All components are displayed (shown here in "category" order).

Lifespans

Remaining life and useful life are displayed. And, these columns are conveniently sub totaled to show range.

Current Cost

Displays current cost to replace or otherwise maintain each component. This column is conveniently sub totaled.

Fully Funded Balance

Displays fully funded balance for each component. This column is conveniently sub totaled.

Total current cost to replace or otherwise maintain all components, total fully funded balance, anticipated reserve balance and percent funded are provided at bottom of this summary. Also shown is range of reserve component remaining lives and useful lives.

Sample Condominium Association Calculation of Percent Funded Sorted by Category: Alphabetical

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	6	24	\$360,300.00	\$321,176.47
Streets - Asphalt, Repair	2	4	\$24,300.00	\$12,150.00
Streets - Asphalt, Seal Coat	2	4	\$14,580.00	\$7,290.00
Streets - Concrete	2	4	\$20,300.00	\$10,000.00
Sub Total	2-6	4-24	\$448,980.00	\$350,616.47

020 Roofs				
Roofs - Rain Gutters	12	40	\$123,785.00	\$66,646.50
Roofs - Tile, Clean & Maintain	0	1	\$37,500.00	\$37,500.00
Roofs - Tile, Replace				
Sub Total				

030 Painting				
Painting - Cabana Interior				
Painting - Red Cuts				
Painting - Stucco				
Painting - Woodwork				
Painting - Wrought Iron, Buildings				
Painting - Wrought Iron, Pool Area				
Sub Total				

040 Fencing, Railing & Walls				
Fencing - Glass Sound Attenuation				
Fencing - Wrought Iron, Pool Area				
Railing & Gates - Wrought Iron, Units				
Walls - Stucco, Repair				
Sub Total				

050 Lighting				
Lighting - Buildings				
Lighting - Landscape				
Lighting - Streets & Walkways				
Sub Total				

060 Pool Area				
Cabana - Ceramic Tile, Interior				
Cabana - Ceramic Tile, Showers				
Cabana - Doors				
Cabana - Plumbing Fixtures%				
Cabana - Restroom Partitions				
Cabana - Water Heater				

Sample Condominium Association Calculation of Percent Funded Sorted by Category: Alphabetical

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
Pool - Filters	2	12	\$4,000.00	\$3,538.46
Pool - Heater	7	12	\$4,750.00	\$1,959.79
Pool - Replaster & Tile	7	10	\$34,387.50	\$9,466.21
Pool Area - Furniture	4	6	\$15,400.00	\$4,529.41
Pool Area - Paver Deck, Repair	17	20	\$20,000.00	\$2,564.10
Pool Area - Wood Patio Covers	7	20	\$15,125.00	\$9,691.25
Spa - Filter	2	10	\$2,000.00	\$1,724.14
Spa - Heater	4	10	\$4,750.00	\$2,650.00
Spa - Replaster & Tile	7	10	\$8,475.00	\$2,337.93
Sub Total	2-17	6-30	\$152,107.50	\$69,326.48

070 Decks				
Decks/Stairs - Clean & Seal	2	4	\$103,868.25	\$45,695.27
Decks/Stairs - Resurface	6	20	\$728,900.00	\$562,196.97
Sub Total	2-6	4-20	\$832,768.25	\$608,092.24

080 Termite Control & Wood Repair				
Termite Control	n.a.	n.a.	\$0.00	\$300,000.00
Wood Repair - Paint Cycle	4	5	\$58,000.00	\$6,444.44
Wood Repair - Shutters	4	20	\$44,900.00	\$39,267.50
Sub Total	4	5-20	\$102,900.00	\$345,731.94

090 Landscape				
Landscape - Irrigation Controllers	7	12	\$24,150.00	\$9,450.00
Landscape - Renovation	0	1	\$17,500.00	\$17,500.00
Sub Total	0-7	1-12	\$41,650.00	\$26,950.00

100 Miscellaneous				
Fire Safety - Control Panels	1	20	\$126,000.00	\$121,655.17
Fire Safety - Extinguisher Cabinets	9	30	\$64,900.00	\$49,113.51
Motobikes	18	20	\$67,000.00	\$6,700.00
Signage	0	20	\$75,000.00	\$75,000.00
Utility Closet Doors	4	20	\$157,100.00	\$137,467.50
Sub Total	0-18	20-30	\$490,000.00	\$389,931.18

Contingency	n.a.	n.a.	n.a.	\$148,226.21
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Total	0-18	1-40	\$7,044,161.25	\$6,089,099.96
Anticipated Reserve Balance				\$2,860,800.00
Percent Funded				56.21%

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Management Summary and Charts

Summary displays all reserve components, shown here in "category" order. Provides assigned reserve funds at beginning of fiscal year for which reserve analysis is prepared along with monthly member contribution, interest contribution and total contribution for each component and category. Pie charts show graphically how reserve fund is distributed amongst reserve component categories and how each category is funded on a monthly basis.

Sample Condominium Association Management Summary Directed Cash Flow Method; Sorted by Category				
	Balance at Beginning of Year	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
010 Streets				
Streets - Asphalt, Overlay / Major Rehab	\$321,176.47	\$1,150.31	\$188.16	\$1,338.46
Streets - Asphalt, Repair	\$12,190.00	\$414.09	\$8.63	\$422.73
Streets - Asphalt, Seal Coat	\$7,200.00	\$246.45	\$5.18	\$253.64
Streets - Concrete	\$10,000.00	\$340.82	\$7.11	\$347.92
Sub Total	\$350,516.47	\$2,151.67	\$209.08	\$2,362.75
020 Roofs				
Roofs - Rain Gutters	\$86,649.50	\$321.53	\$50.81	\$372.34
Roofs - Tile, Clean & Maintain	\$17,500.00	\$2,448.57	\$10.02	\$2,458.59
Roofs - Tile, Replace	\$226,722.83	\$19.25		
Sub Total	\$350,872.33	\$22.05		
030 Painting				
Painting - Cabana Interior	\$94.21	\$1		
Painting - Red Curbs	\$2,557.50	\$8		
Painting - Stucco	\$20,230.79	\$2.85		
Painting - Woodwork	\$19,001.11	\$2.06		
Painting - Wrought Iron, Buildings	\$4,277.76	\$57		
Painting - Wrought Iron, Pool Area	\$670.83	\$4		
Sub Total	\$46,632.22	\$6.19		
040 Fencing, Railing & Walls				
Fencing - Glass Sound Attenuation	\$38,027.03	\$13		
Fencing - Wrought Iron, Pool Area	\$19,455.88	\$6		
Railing & Gates - Wrought Iron, Units	\$298,472.22	\$1.08		
Walls - Stucco, Repair	\$8,368.84	\$2		
Sub Total	\$364,323.97	\$1.31		
050 Lighting				
Lighting - Buildings	\$154,994.23	\$81		
Lighting - Landscape	\$11,340.00	\$12		
Lighting - Streets & Walkways	\$77,437.60	\$27		
Sub Total	\$243,771.73	\$1.21		
060 Pool Area				
Cabana - Ceramic Tile, Interior	\$10,847.94	\$3		
Cabana - Ceramic Tile, Showers	\$6,342.19	\$5		
Cabana - Doors	\$2,036.36	\$1		
Cabana - Plumbing Fixtures%	\$7,404.12	\$2		
Cabana - Restroom Partitions	\$3,609.57	\$2		
Cabana - Water Heater	\$175.00	\$1		

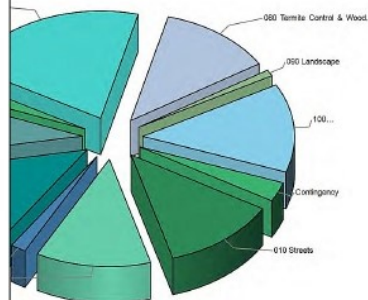
Balance at FYB
Shows amount of
reserve funds assigned to
each reserve component.
And, this column is
conveniently sub totaled.

Sample Condominium Association Management Summary Directed Cash Flow Method; Sorted by Category				
	Balance at Beginning of Year	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
070 Decks				
Decks/Stairs - Clean & Seal	\$45,895.27	\$1,901.98	\$34.24	\$1,936.22
Decks/Stairs - Resurface	\$62,196.97	\$2,641.42	\$326.21	\$2,967.63
Sub Total	\$98,092.24	\$4,503.40	\$360.45	\$4,963.85
080 Termite Control & Wood Repair				
Termite Control	\$300,000.00	\$0.00	\$171.35	\$171.35
Wood Repair - Paint Cycle	\$6,444.44	\$871.43	\$7.25	\$878.68
Wood Repair - Shutters	\$39,287.50	\$139.06	\$23.01	\$162.06
Sub Total	\$345,731.94	\$1,010.48	\$201.61	\$1,212.09
090 Landscape				
Landscape - Irrigation Controllers	\$9,450.00	\$155.33	\$6.03	\$161.36
Landscape - Renovation	\$17,500.00	\$1,142.96	\$4.67	\$1,147.64
Sub Total	\$26,950.00	\$1,297.99	\$10.71	\$1,308.70
100 Miscellaneous				
Fire Safety - Control Panels	\$121,655.17	\$423.02	\$71.22	\$494.24
Fire Safety - Extinguisher Cabinets	\$49,113.51	\$179.05	\$28.79	\$207.83
Mailboxes	\$0.00	\$281.30	\$1.15	\$282.45
Signage	\$75,000.00	\$288.18	\$1.18	\$289.36
Utility Closet Doors	\$137,462.50	\$495.04	\$80.51	\$567.05
Sub Total	\$383,231.19	\$1,656.08	\$182.84	\$1,840.92
Contingency	\$83,315.33	\$1,272.23	\$52.79	\$1,325.02
Total	\$2,860,500.30	\$43,679.89	\$1,736.83	\$45,416.72

Monthly Funding
Displays monthly
funding for each
component from
members and interest.
Total monthly funding is
also indicated. And,
these columns are
conveniently sub totaled.

Sample Condominium Association
Management / Accounting Charts
Directed Cash Flow Method; Sorted by Category

Distribution of Current Reserve Fund



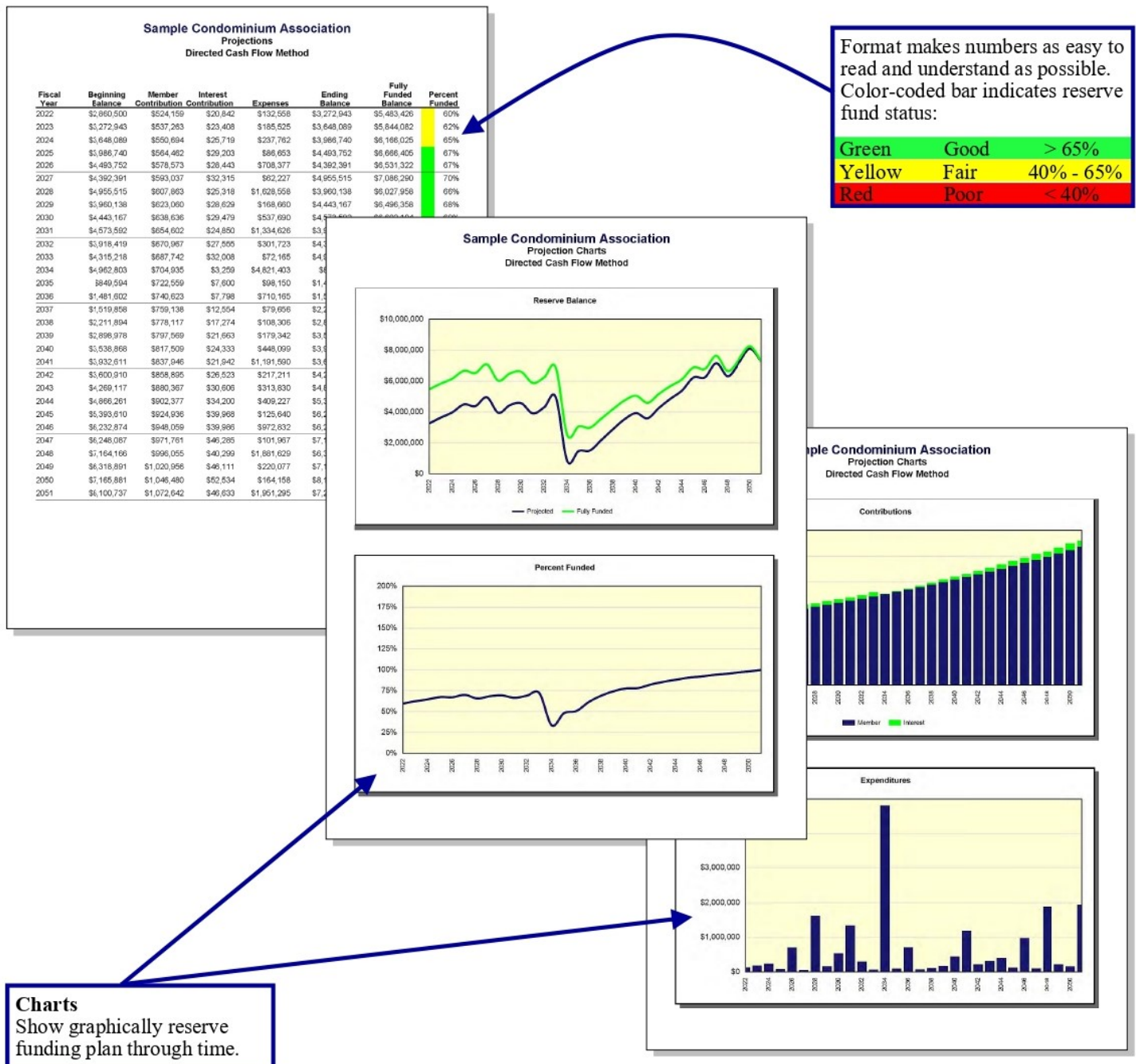
Pie Charts
Show graphically how reserve fund is
distributed amongst reserve components
and how components are funded.

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Projections and Charts

Summary displays projections of beginning reserve balance, member contribution, interest contribution, expenditures and ending reserve balance for each year of projection period (shown here for 30 years). Two columns on the right-hand side provide fully funded ending balance and percent funded for each year. Charts show the same information in an easy-to-understand graphic format.



Charts
Show graphically reserve funding plan through time.

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Component Detail

Summary provides detailed information about each reserve component. These pages display all information about each reserve component as well as comments from site observations and historical information regarding replacement or other maintenance.

Lifespan Information

Displays placed-in-service date, useful life, remaining life and replacement year.

Cost Information

Displays quantity, unit cost, percentage of replacement, current cost and future cost.

Calculation Results

Displays assigned reserves and funding requirements.

Sample Condominium Association
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Streets - Asphalt, Seal Coat			
Category	010 Streets	Quantity	162,000 sq. ft.
		Unit Cost	\$0.09
		% of Replacement	100.00%
		Current Cost	\$14,580.00
		Future Cost	\$15,318.11
Placed In Service	01/2020		
Useful Life	4		
Remaining Life	2		
Replacement Year	2024		
		Assigned Reserves at FYB	\$7,290.00
		Monthly Member Contribution	\$248.45
		Monthly Interest Contribution	\$5.18
		Total Monthly Contribution	\$253.64



The association repaired, seal coated and restriped the asphalt throughout the community during 2015 for an unknown cost. The association repaired, seal coated and restriped the asphalt throughout the community in October 2010 for a total cost of \$4,790, seal coat at \$8,736 and restripe at \$3,482.

The current cost used for this component is based on actual expenditures incurred and adjusted for inflation where applicable.

For budgeting purposes, we have used the next fiscal year's beginning date as the replacement year.

Asphalt surfaces should be seal coated on a 3 to 4 year cycle.

Sample Condominium Association
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Painting - Stucco			
Category	030 Painting	Quantity	325,750 sq. ft.
		Unit Cost	\$1.18
		% of Replacement	100.00%
		Current Cost	\$384,385.00
		Future Cost	\$480,044.19
Placed In Service	07/2021		
Useful Life	10		
Remaining Life	9		
Replacement Year	2031		
		Assigned Reserves at FYB	\$20,230.79
		Monthly Member Contribution	\$2,855.92
		Monthly Interest Contribution	\$23.24
		Total Monthly Contribution	\$2,879.16



The association painted the entire community (stucco, woodwork, wrought iron and total cost of \$306,000. The association painted the entire community (stucco, woodwork, wrought iron and total cost of \$400,000. The association painted the entire community (stucco, woodwork, wrought iron and total cost of \$1,565,000. The association painted the entire community (stucco, woodwork, wrought iron and total cost of \$1,565,000.

The current cost used for this component is based on actual expenditures incurred and adjusted for inflation where applicable.

Sample Condominium Association
Component Detail
Directed Cash Flow Calculation Method; Sorted By Category

Pool - Replaster & Tile			
Category	060 Pool Area	Quantity	1 pool
		Unit Cost	\$34,387.50
		% of Replacement	100.00%
		Current Cost	\$34,387.50
		Future Cost	\$40,875.93
Placed In Service	05/2019		
Useful Life	10		
Remaining Life	7		
Replacement Year	2029		
		Assigned Reserves at FYB	\$9,486.21
		Monthly Member Contribution	\$255.65
		Monthly Interest Contribution	\$6.46
		Total Monthly Contribution	\$262.11



2,125 sq. ft. of replastering	@	\$13.90	=	\$29,637.50
180 lin. ft. of waterline/tile	@	\$17.50	=	\$3,150.00
170 lin. ft. of step/bench tile	@	\$15.00	=	\$2,550.00
		TOTAL	=	\$35,337.50

The association replastered the pool during 2006 for a total cost of \$22,174. The association replastered the pool and spa, replaced the pool and spa lighting (with LED lights) and replaced the mosaic material at the pool area in March 2011 for a total cost of \$41,541. The association replastered the pool and spa in May 2019 for a total cost of \$35,443.

Comments

Useful information from site observations and historical expenses included here.

Photos

Optional photos adds an additional layer of detail to the reserve analysis.

Cross Creek Condos - 200/300 Bldgs.

Preface

◆ ◆ ◆ ◆ GLOSSARY OF KEY TERMS ◆ ◆ ◆ ◆

Anticipated Reserve Balance (or Reserve Funds)

Amount of money, as of a certain point in time, held by association to be used for the repair or replacement of reserve components. This figure is "anticipated" because it is calculated based on the most current financial information available as of the analysis date, which is almost always prior to the fiscal year beginning date for which the reserve analysis is prepared.

Assigned Funds (and "Fixed" Assigned Funds)

Amount of money, as of fiscal year beginning date for which reserve analysis is prepared, that a reserve component has been assigned.

Assigned funds are considered "fixed" when the normal calculation process is bypassed and a specific amount of money is assigned to a reserve component. For example, if the normal calculation process assigns \$10,000 to the roofs, but the association would like to show \$20,000 assigned to roofs, "fixed" funds of \$20,000 can be assigned.

Component Calculation Method

Reserve funding calculation method developed based on each individual reserve component. A more detailed description of the actual calculation process is included in the "reserve funding calculation methods" section of the preface.

Contingency Parameter

Rate used as a built-in buffer in the calculation of a reserve funding plan. This rate will assign a percentage of reserve funds, as of the fiscal year beginning, as contingency funds and will also determine the level of funding toward contingency each month.

Contribution Increase Parameter

Rate used in calculation of funding plan. This rate is used on an annual compounding basis. This rate represents, in theory, the rate the association expects to increase contributions each year.

In most cases, this rate should match the inflation parameter. Matching the contribution increase parameter to the inflation parameter indicates, in theory, that member contributions should increase at the same rate as the cost of living (inflation parameter). Due to the "time value of money," this creates the most equitable distribution of member contributions through time.

Current Replacement Cost

Amount of money, as of fiscal year beginning date for which reserve analysis is prepared, that a reserve component is expected to cost to replace.

Directed Cash Flow Calculation Method

Reserve funding calculation method developed based on total annual expenditures. A more detailed description of the actual calculation process is included in the "reserve funding calculation methods" section of the preface.

Fiscal Year

Budget year for association for which reserve analysis is prepared. Fiscal year beginning (FYB) is first day of budget year; fiscal year end (FYE) is last day of budget year.

Fully Funded Reserve Balance

Amount of money that should theoretically have accumulated in the reserve fund as of a certain point in time. Fully funded reserves are calculated for each reserve component based on the current replacement cost, age and useful life:

$$\text{Fully Funded Reserves} = \frac{\text{Age}}{\text{Useful Life}} \times \text{Current Replacement Cost}$$

Fully funded reserve balance is the sum of the fully funded reserves for each reserve component.

An association that has accumulated the fully funded reserve balance does not have all of the funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for the reserve com-

Cross Creek Condos - 200/300 Bldgs.

Preface

ponents it maintains, based on each component's current replacement cost, age and useful life.

Future Replacement Cost

Amount of money, as of fiscal year during which replacement of a reserve component is scheduled, that a reserve component is expected to cost to replace. This cost is calculated using the current replacement cost compounded annually by the inflation parameter.

Global Parameters

Financial parameters used to calculate reserve analysis. See also "inflation parameter," "contribution increase parameter," "investment rate parameter" and "taxes on investments parameter."

Inflation Parameter

Rate used in calculation of future costs for reserve components. This rate is used on an annual compounding basis. This rate represents rate the association expects the cost of goods and services relating to their reserve components to increase each year.

Interest Contribution

Amount of money contributed to reserve fund by interest earned on reserve fund and member contributions.

Investment Rate Parameter

Gross rate used in calculation of interest contribution (interest earned) from reserve balance and member contributions. This rate (net of taxes on investments parameter) is used on a monthly compounding basis. This parameter represents the weighted average interest rate association expects to earn on their reserve fund investments.

Membership Contribution

Amount of money contributed to reserve fund by association's membership.

Minimum Cash Flow Calculation Method

Reserve funding calculation method developed based on total annual expenditures. A more detailed description of the actual calculation process is included in the "reserve funding calculation methods" section of the preface.

Monthly Contribution (and "Fixed" Monthly Contribution)

Amount of money, for fiscal year which reserve analysis is prepared, that a reserve component will be funded.

Monthly contribution is considered "fixed" when the normal calculation process is bypassed and a specific amount of money is funded to a reserve component. For example, if the normal calculation process funds \$1,000 to the roofs each month, but the association would like to show \$500 funded to roofs each month, a "fixed" contribution of \$500 can be assigned.

Number of Units (or other assessment basis)

Number of units for which reserve analysis is prepared. In "phased" developments, this number represents the number of units, and corresponding common area components, that exist as of a certain point in time.

For some associations, assessments and reserve contributions are based on a unit of measure other than number of units. Examples include time-interval weeks for timeshare resorts or lot acreage (or square feet) for commercial/industrial developments.

One-Time Replacement

Used for components that will be budgeted for only once.

Percent Funded

Measure of association's reserve fund "health," expressed as a percentage, as of a certain point in time. This number is the ratio of anticipated reserve fund balance to fully funded reserve balance:

$$\text{Percent Funded} = \frac{\text{Anticipated Reserve Fund Balance}}{\text{Fully Funded Reserve Balance}}$$

Cross Creek Condos - 200/300 Bldgs.

Preface

Reserve fund health:

Green	Good	> 65%
Yellow	Fair	40% to 65%
Red	Poor	< 40%

An association that is 100% funded does not have all reserve funds necessary to replace all of its reserve components immediately; it has the proportionately appropriate reserve funds for reserve components it maintains, based on each component's current replacement cost, age and useful life.

Percentage of Replacement

Percentage of reserve component that is expected to be replaced.

For most reserve components, this percentage is 100%. In some cases, this percentage may be more or less than 100%. For example, fencing which is shared with a neighboring community may be set at 50%. Another example would be a component where partial replacement is expected, such as interior doors.

Placed-In-Service Date

Date (month and year) that a reserve component was originally put into service or last replaced.

Remaining Life

Length of time, in years, until a reserve component is scheduled to be replaced.

Remaining Life Adjustment

Length of time, in years, that a reserve component is expected to last in excess (or deficiency) of its useful life for current cycle of replacement (only).

If current cycle of replacement for a reserve component is expected to be greater than or less than the "normal" life expectancy, the reserve component's life should be adjusted using a remaining life adjustment.

For example, if wood trim is painted normally on a 4 year cycle, useful life should be 4 years. However, when it comes time to paint the wood trim and it is determined that it can be deferred for an additional year, useful life should remain at 4 years and a remaining life adjustment of +1 year should be used.

Replacement Year

Fiscal year that a reserve component is scheduled to be replaced.

Reserve Components

Line items included in the reserve analysis.

Taxes on Investments Parameter

Rate used to offset investment rate parameter in the calculation of interest contribution. This parameter represents the marginal tax rate association expects to pay on interest earned by reserve funds and member contributions.

Total Contribution

Sum of membership contribution and interest contribution.

Useful Life

Length of time, in years, that a reserve component is expected to last each time it is replaced. See also "remaining life adjustment."

Cross Creek Condos - 200/300 Bldgs.

Preface

◆ ◆ ◆ ◆ LIMITATIONS OF RESERVE ANALYSIS ◆ ◆ ◆ ◆

This reserve analysis is intended as a tool for the association's Board of Directors to be used in evaluating the association's current physical and financial condition with regard to reserve components. The results of this reserve analysis represent the independent opinion of the preparer. There is no implied warranty or guarantee of this work product.

For the purposes of this reserve analysis, it has been assumed that all components have been installed properly, no construction defects exist and all components are operational. Additionally, it has been assumed that all components will be maintained properly in the future.

Representations set forth in this reserve analysis are based on the best information and estimates of the preparer as of the date of this analysis. These estimates are subject to change. This reserve analysis includes estimates of replacement costs and life expectancies as well as assumptions regarding future events. Some estimates are projections of future events based on information currently available and are not necessarily indicative of the actual future outcome. The longer the time period between the estimate and the estimated event, the more likely the possibility of error and/or discrepancy. For example, some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the preparation of this reserve analysis. Therefore, the actual replacement costs and remaining lives may vary from this reserve analysis and the variation may be significant. Additionally, inflation and other economic events may impact this reserve analysis, particularly over an extended period of time and those events could have a significant and negative impact on the accuracy of this reserve analysis and, further, the funds available to meet the association's obligation for repair, replacement or other maintenance of major components during their estimated useful life. Furthermore, the occurrence of vandalism, severe weather conditions, climate change, earthquakes, floods, acts of nature or other unforeseen events cannot be predicted and/or accounted for and are excluded when assessing life expectancy, repair and/or replacement costs of the reserve components.

Cross Creek Condos - 200/300 Bldgs.

Executive Summary Directed Cash Flow Method

Client Information

Account Number	81416
Version Number	2
Analysis Date	3/6/2025
Fiscal Year	1/1/2025 to 12/31/2025
Number of Units	24

Global Parameters

Inflation Rate	2.50%
Annual Contribution Increase	2.50%
Investment Rate	0.20%
Taxes on Investments	30.00%
Contingency	2.00%

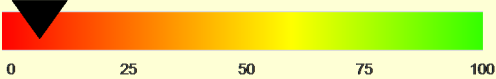
Community Profile

Cross Creek Condos - 200/300 Bldgs. is a 24 unit association comprised of 2 buildings with common areas that include but are not limited to; roofs, exterior painting, front and back decks, and windows & doors.

This community was built between 1985 & 1986. For budgeting purposes, unless otherwise indicated, we have used January 1985 as the average placed-in-service date for aging the original components included in this analysis.

ARS, Inc. filed inspection conducted October 2, 2024.

Adequacy of Reserves as of January 1, 2025

Anticipated Reserve Balance		\$47,658.00
Fully Funded Reserve Balance		\$782,939.68
Percent Funded	0 25 50 75 100	6.09%
Deficit per Unit		\$30,636.74

Funding for the 2025 Fiscal Year	Annual	Monthly	Per Unit Per Month
Member Contribution	\$24,996	\$2,083.00	\$86.79
Interest Contribution	\$68	\$5.67	\$0.24
Total Contribution	\$25,064	\$2,088.67	\$87.03

Cross Creek Condos - 200/300 Bldgs.

Preparer's Disclosure Statement

THIS RESERVE ANALYSIS REFLECTS THE COMPONENTS AS THEY WERE INTENDED TO HAVE BEEN DESIGNED AND CONSTRUCTED. THIS ANALYSIS DOES NOT INCLUDE ANY EXPENDITURES ANTICIPATED FOR REPAIRS REQUIRED DUE TO DEFECTIVE CONDITIONS.

In April 2011, Richard Hirschman was awarded the Reserve Specialist (RS) designation from Community Associations Institute (CAI). Mr. Hirschman was the two hundredth twenty first (#221) person in the United States to receive this professional designation.

The RS designation was developed by CAI for professional reserve analysts who wish to confirm to their peers and/or clients that they have demonstrated a basic level of competency within the industry. The RS designation is awarded to reserve analysts who are dedicated to the highest standards of professionalism and reserve analysis preparation.

Consultant certifies that:

- 1) Consultant has no other involvement with association which could result in actual or perceived conflicts of interest.
 - 2) Consultant made field inspection of community on October 2, 2024. Component inventories were developed by actual field inventory, representative sampling, take-offs of scaled plans, provided by the association's previous reserve analysis prepared by another firm or provided by the association.
- Component conditional assessments were developed by actual field observation and representative sampling.
- 3) Financial assumptions used in this analysis are listed on the Executive Summary and further explained in the Preface of this report.
 - 4) Consultant is a Reserve Specialist (RS) designee.
 - 5) There are no material issues known to consultant at this time which would cause a distortion of the association's situation.

Cross Creek Condos - 200/300 Bldgs.

Calculation of Percent Funded Sorted by Category; Alphabetical

	Remaining Life	Useful Life	Current Cost	Fully Funded Balance
<u>010 Roofs</u>				
Roofs - Composition Shingle	2	25	\$145,061.00	\$133,456.12
Roofs - Gutter Cleaning	6	8	\$2,100.00	\$525.00
Roofs - Gutters & Downspouts	2	25	\$6,840.00	\$6,292.80
Sub Total	2-6	8-25	\$154,001.00	\$140,273.92
<u>020 Decks & Railings</u>				
Decks & Railings - Back Decks, Synthetic Wood	10	40	\$199,680.00	\$159,744.00
Decks & Railings - Wood Replacement	10	40	\$33,534.00	\$26,827.20
Sub Total	10	40	\$233,214.00	\$186,571.20
<u>030 Windows & Doors</u>				
Windows & Doors - Replacement	1	40	\$381,600.00	\$372,292.68
Sub Total	1	40	\$381,600.00	\$372,292.68
<u>040 Painting</u>				
Painting - Building Exterior	3	5	\$55,890.00	\$22,356.00
Sub Total	3	5	\$55,890.00	\$22,356.00
<u>050 Garage Doors</u>				
Garage Doors - Unfunded	n.a.	n.a.	\$0.00	\$0.00
Sub Total	n.a.	n.a.	\$0.00	\$0.00
<u>060 Siding</u>				
Siding - STO, Inspection	0	1	\$1,000.00	\$1,000.00
Siding - STO, Repairs	0	2	\$9,538.56	\$9,538.56
Siding - Stone, Unfunded	n.a.	n.a.	\$0.00	\$0.00
Siding - Wood, Unfunded	n.a.	n.a.	\$0.00	\$0.00
Sub Total	0	1-2	\$10,538.56	\$10,538.56
<u>070 Lighting</u>				
Lighting - Building Exterior	5	40	\$25,000.00	\$22,222.22
Sub Total	5	40	\$25,000.00	\$22,222.22
<u>080 Grounds</u>				
Grounds - Gazebo Deck	5	40	\$15,000.00	\$13,333.33
Sub Total	5	40	\$15,000.00	\$13,333.33
Contingency	n.a.	n.a.	n.a.	\$15,351.76

Cross Creek Condos - 200/300 Bldgs.

Calculation of Percent Funded
Sorted by Category; Alphabetical

Total	0-10	1-40	\$875,243.56	\$782,939.68
Anticipated Reserve Balance				\$47,658.00
Percent Funded				6.09%

Cross Creek Condos - 200/300 Bldgs.

Management Summary

Directed Cash Flow Method; Sorted by Category

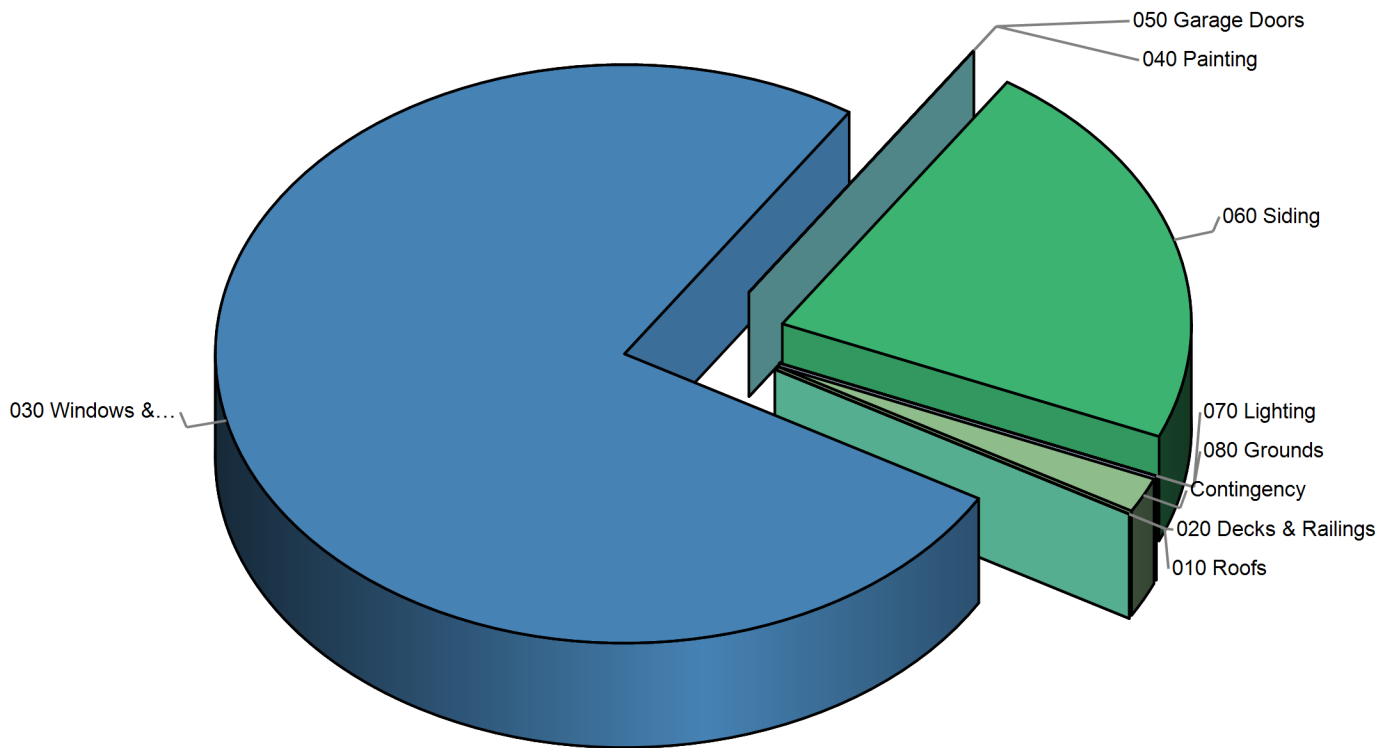
	Balance at Beginning of Year	Monthly Member Contribution	Monthly Interest Contribution	Total Monthly Contribution
<u>010 Roofs</u>				
Roofs - Composition Shingle	\$0.00	\$310.52	\$0.73	\$311.25
Roofs - Gutter Cleaning	\$0.00	\$1.57	\$0.00	\$1.57
Roofs - Gutters & Downspouts	\$0.00	\$14.64	\$0.03	\$14.68
Sub Total	\$0.00	\$326.73	\$0.77	\$327.49
<u>020 Decks & Railings</u>				
Decks & Railings - Back Decks, Synthetic Wood	\$0.00	\$93.63	\$0.22	\$93.85
Decks & Railings - Wood Replacement	\$0.00	\$15.72	\$0.04	\$15.76
Sub Total	\$0.00	\$109.36	\$0.26	\$109.61
<u>030 Windows & Doors</u>				
Windows & Doors - Replacement	\$36,184.97	\$1,465.29	\$4.20	\$1,469.49
Sub Total	\$36,184.97	\$1,465.29	\$4.20	\$1,469.49
<u>040 Painting</u>				
Painting - Building Exterior	\$0.00	\$80.68	\$0.19	\$80.87
Sub Total	\$0.00	\$80.68	\$0.19	\$80.87
<u>050 Garage Doors</u>				
Garage Doors - Unfunded	\$0.00	\$0.00	\$0.00	\$0.00
Sub Total	\$0.00	\$0.00	\$0.00	\$0.00
<u>060 Siding</u>				
Siding - STO, Inspection	\$1,000.00	\$4.23	\$0.01	\$4.24
Siding - STO, Repairs	\$9,538.56	\$20.42	\$0.05	\$20.47
Siding - Stone, Unfunded	\$0.00	\$0.00	\$0.00	\$0.00
Siding - Wood, Unfunded	\$0.00	\$0.00	\$0.00	\$0.00
Sub Total	\$10,538.56	\$24.65	\$0.06	\$24.71
<u>070 Lighting</u>				
Lighting - Building Exterior	\$0.00	\$22.16	\$0.05	\$22.21
Sub Total	\$0.00	\$22.16	\$0.05	\$22.21
<u>080 Grounds</u>				
Grounds - Gazebo Deck	\$0.00	\$13.29	\$0.03	\$13.33
Sub Total	\$0.00	\$13.29	\$0.03	\$13.33
Contingency	\$934.47	\$40.84	\$0.12	\$40.96
Total	\$47,658.00	\$2,083.00	\$5.67	\$2,088.67

Cross Creek Condos - 200/300 Bldgs.

Management / Accounting Charts

Directed Cash Flow Method; Sorted by Category

Distribution of Current Reserve Fund



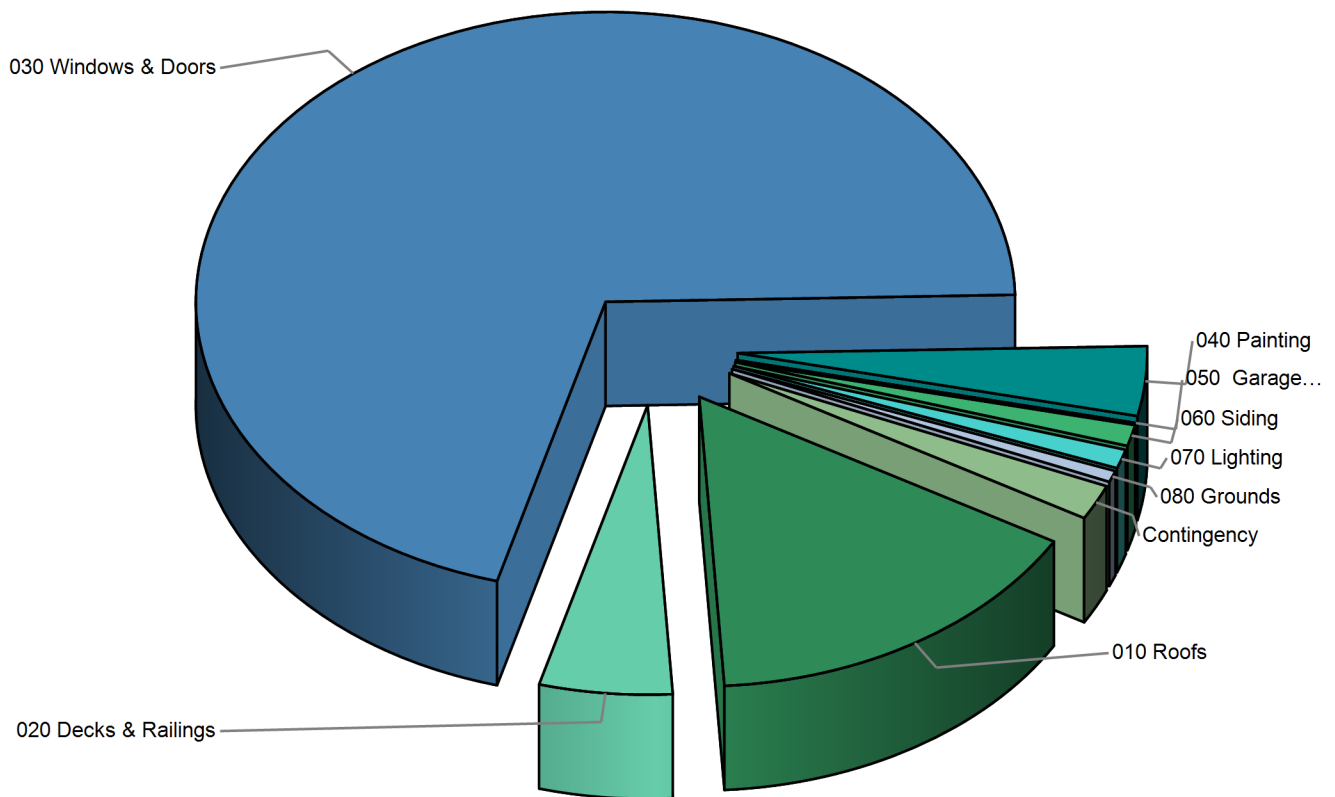
010 Roofs (0%)	060 Siding (22%)
020 Decks & Railings (0%)	070 Lighting (0%)
030 Windows & Doors (76%)	080 Grounds (0%)
040 Painting (0%)	Contingency (2%)
050 Garage Doors (0%)	

Cross Creek Condos - 200/300 Bldgs.

Management / Accounting Charts

Directed Cash Flow Method; Sorted by Category

Monthly Member Contribution



010 Roofs (16%)	060 Siding (1%)
020 Decks & Railings (5%)	070 Lighting (1%)
030 Windows & Doors (70%)	080 Grounds (1%)
040 Painting (4%)	Contingency (2%)
050 Garage Doors (0%)	

Cross Creek Condos - 200/300 Bldgs.

Annual Expenditures Sorted by Alphabetical

2025 Fiscal Year

Siding - STO, Inspection	\$1,000.00
Siding - STO, Repairs	\$9,538.56
Sub Total	\$10,538.56

2026 Fiscal Year

Siding - STO, Inspection	\$1,025.00
Windows & Doors - Replacement	\$391,140.00
Sub Total	\$392,165.00

2027 Fiscal Year

Roofs - Composition Shingle	\$152,404.71
Roofs - Gutters & Downspouts	\$7,186.28
Siding - STO, Inspection	\$1,050.63
Siding - STO, Repairs	\$10,021.45
Sub Total	\$170,663.06

2028 Fiscal Year

Painting - Building Exterior	\$60,187.42
Siding - STO, Inspection	\$1,076.89
Sub Total	\$61,264.31

2029 Fiscal Year

Siding - STO, Inspection	\$1,103.81
Siding - STO, Repairs	\$10,528.79
Sub Total	\$11,632.60

2030 Fiscal Year

Grounds - Gazebo Deck	\$16,971.12
Lighting - Building Exterior	\$28,285.21
Siding - STO, Inspection	\$1,131.41
Sub Total	\$46,387.74

2031 Fiscal Year

Roofs - Gutter Cleaning	\$2,435.36
Siding - STO, Inspection	\$1,159.69
Siding - STO, Repairs	\$11,061.81
Sub Total	\$14,656.85

2032 Fiscal Year

Siding - STO, Inspection	\$1,188.69
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Cross Creek Condos - 200/300 Bldgs.

Annual Expenditures Sorted by Alphabetical

Sub Total	<hr/> \$1,188.69
<u>2033 Fiscal Year</u>	
Painting - Building Exterior	\$68,096.54
Siding - STO, Inspection	\$1,218.40
Siding - STO, Repairs	\$11,621.81
Sub Total	<hr/> \$80,936.75
<u>2034 Fiscal Year</u>	
Siding - STO, Inspection	\$1,248.86
Sub Total	<hr/> \$1,248.86
<u>2035 Fiscal Year</u>	
Decks & Railings - Back Decks, Synthetic Wood	\$255,607.28
Decks & Railings - Wood Replacement	\$42,926.36
Siding - STO, Inspection	\$1,280.08
Siding - STO, Repairs	\$12,210.16
Sub Total	<hr/> \$312,023.88
<u>2036 Fiscal Year</u>	
Siding - STO, Inspection	\$1,312.09
Sub Total	<hr/> \$1,312.09
<u>2037 Fiscal Year</u>	
Siding - STO, Inspection	\$1,344.89
Siding - STO, Repairs	\$12,828.30
Sub Total	<hr/> \$14,173.19
<u>2038 Fiscal Year</u>	
Painting - Building Exterior	\$77,044.98
Siding - STO, Inspection	\$1,378.51
Sub Total	<hr/> \$78,423.49
<u>2039 Fiscal Year</u>	
Roofs - Gutter Cleaning	\$2,967.25
Siding - STO, Inspection	\$1,412.97
Siding - STO, Repairs	\$13,477.74
Sub Total	<hr/> \$17,857.95
<u>2040 Fiscal Year</u>	
Siding - STO, Inspection	\$1,448.30

Cross Creek Condos - 200/300 Bldgs.

Annual Expenditures Sorted by Alphabetical

Sub Total	\$1,448.30
<u>2041 Fiscal Year</u>	
Siding - STO, Inspection	\$1,484.51
Siding - STO, Repairs	\$14,160.05
Sub Total	\$15,644.55
<u>2042 Fiscal Year</u>	
Siding - STO, Inspection	\$1,521.62
Sub Total	\$1,521.62
<u>2043 Fiscal Year</u>	
Painting - Building Exterior	\$87,169.33
Siding - STO, Inspection	\$1,559.66
Siding - STO, Repairs	\$14,876.90
Sub Total	\$103,605.88
<u>2044 Fiscal Year</u>	
Siding - STO, Inspection	\$1,598.65
Sub Total	\$1,598.65
<u>2045 Fiscal Year</u>	
Siding - STO, Inspection	\$1,638.62
Siding - STO, Repairs	\$15,630.04
Sub Total	\$17,268.66
<u>2046 Fiscal Year</u>	
Siding - STO, Inspection	\$1,679.58
Sub Total	\$1,679.58
<u>2047 Fiscal Year</u>	
Roofs - Gutter Cleaning	\$3,615.30
Siding - STO, Inspection	\$1,721.57
Siding - STO, Repairs	\$16,421.31
Sub Total	\$21,758.18
<u>2048 Fiscal Year</u>	
Painting - Building Exterior	\$98,624.09
Siding - STO, Inspection	\$1,764.61
Sub Total	\$100,388.70
<u>2049 Fiscal Year</u>	

Cross Creek Condos - 200/300 Bldgs.

Annual Expenditures Sorted by Alphabetical

Siding - STO, Inspection	\$1,808.73
Siding - STO, Repairs	\$17,252.64
Sub Total	\$19,061.37

2050 Fiscal Year

Siding - STO, Inspection	\$1,853.94
Sub Total	\$1,853.94

2051 Fiscal Year

Siding - STO, Inspection	\$1,900.29
Siding - STO, Repairs	\$18,126.06
Sub Total	\$20,026.35

2052 Fiscal Year

Roofs - Composition Shingle	\$282,549.82
Roofs - Gutters & Downspouts	\$13,322.95
Siding - STO, Inspection	\$1,947.80
Sub Total	\$297,820.57

2053 Fiscal Year

Painting - Building Exterior	\$111,584.11
Siding - STO, Inspection	\$1,996.50
Siding - STO, Repairs	\$19,043.69
Sub Total	\$132,624.29

2054 Fiscal Year

Siding - STO, Inspection	\$2,046.41
Sub Total	\$2,046.41

Cross Creek Condos - 200/300 Bldgs.

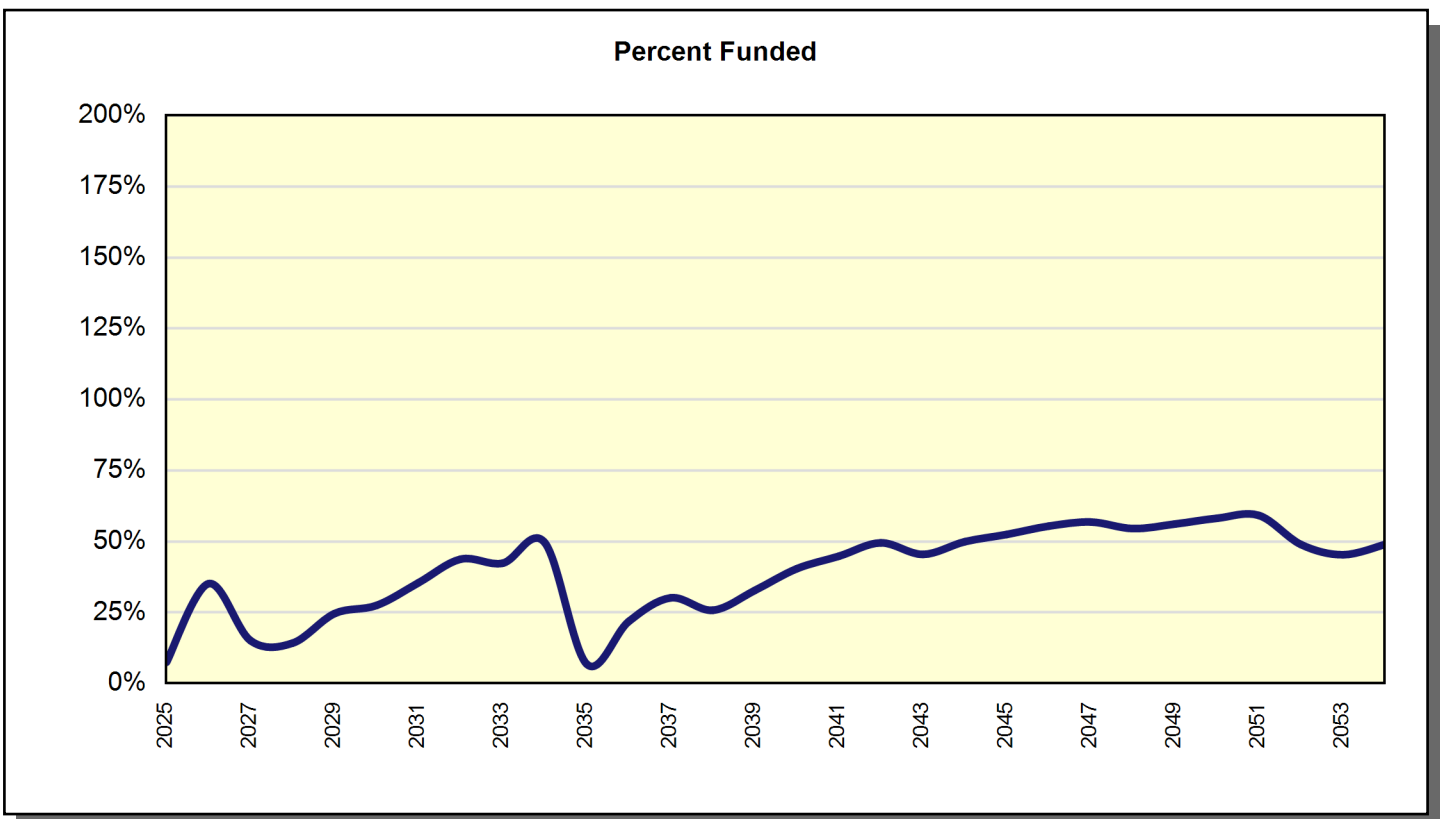
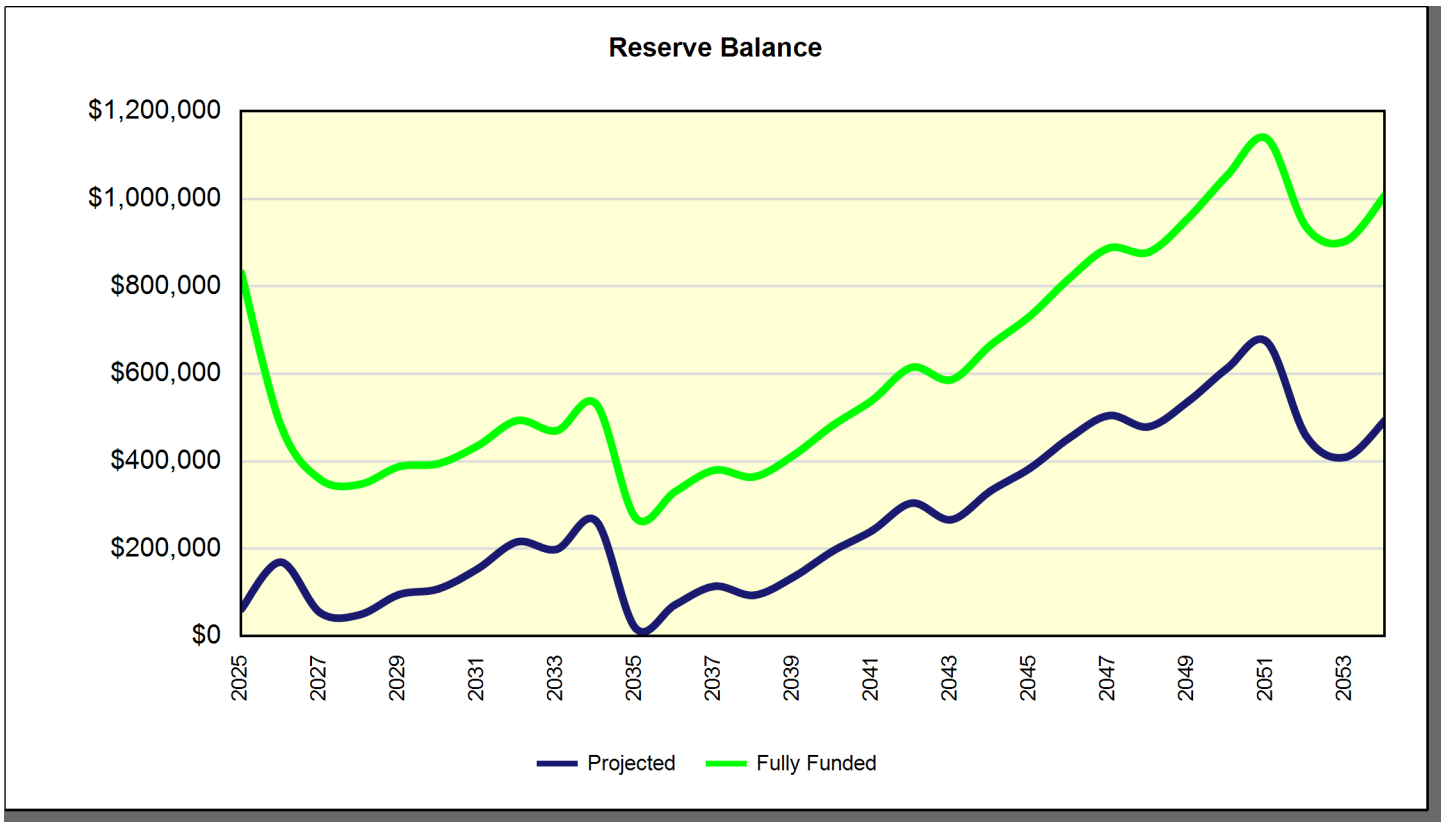
Projections

Directed Cash Flow Method

Fiscal Year	Beginning Balance	Member Contribution	Interest Contribution	Expenses	Ending Balance	Fully Funded Balance	Percent Funded
2025	\$47,658	\$24,996	\$68	\$10,539	\$62,183	\$831,377	7%
2026	\$62,183	\$500,000	\$0	\$392,165	\$169,877	\$483,281	35%
2027	\$169,877	\$55,000	\$34	\$170,663	\$54,248	\$359,092	15%
2028	\$54,248	\$56,375	\$26	\$61,264	\$49,385	\$347,228	14%
2029	\$49,385	\$57,784	\$90	\$11,633	\$95,627	\$388,037	25%
2030	\$95,627	\$59,229	\$107	\$46,388	\$108,575	\$394,769	28%
2031	\$108,575	\$60,710	\$171	\$14,657	\$154,799	\$435,982	36%
2032	\$154,799	\$62,227	\$255	\$1,189	\$216,093	\$493,474	44%
2033	\$216,093	\$63,783	\$230	\$80,937	\$199,169	\$470,221	42%
2034	\$199,169	\$65,378	\$319	\$1,249	\$263,617	\$530,927	50%
2035	\$263,617	\$67,012	\$0	\$312,024	\$18,581	\$271,052	7%
2036	\$18,581	\$55,000	\$59	\$1,312	\$72,328	\$330,857	22%
2037	\$72,328	\$56,375	\$118	\$14,173	\$114,648	\$380,070	30%
2038	\$114,648	\$57,784	\$88	\$78,423	\$94,097	\$364,734	26%
2039	\$94,097	\$59,229	\$145	\$17,858	\$135,612	\$413,764	33%
2040	\$135,612	\$60,710	\$227	\$1,448	\$195,101	\$482,641	40%
2041	\$195,101	\$62,227	\$291	\$15,645	\$241,975	\$539,899	45%
2042	\$241,975	\$63,783	\$378	\$1,522	\$304,614	\$614,893	50%
2043	\$304,614	\$65,378	\$324	\$103,606	\$266,710	\$586,610	45%
2044	\$266,710	\$67,012	\$414	\$1,599	\$332,538	\$665,884	50%
2045	\$332,538	\$68,687	\$486	\$17,269	\$384,442	\$732,415	52%
2046	\$384,442	\$70,405	\$581	\$1,680	\$453,749	\$818,606	55%
2047	\$453,749	\$72,165	\$651	\$21,758	\$504,807	\$887,700	57%
2048	\$504,807	\$73,969	\$614	\$100,389	\$479,001	\$878,098	55%
2049	\$479,001	\$75,818	\$693	\$19,061	\$536,451	\$955,112	56%
2050	\$536,451	\$77,714	\$799	\$1,854	\$613,109	\$1,053,917	58%
2051	\$613,109	\$79,656	\$882	\$20,026	\$673,621	\$1,138,115	59%
2052	\$673,621	\$81,648	\$579	\$297,821	\$458,027	\$935,953	49%
2053	\$458,027	\$83,689	\$510	\$132,624	\$409,601	\$903,469	45%
2054	\$409,601	\$85,781	\$626	\$2,046	\$493,962	\$1,008,761	49%

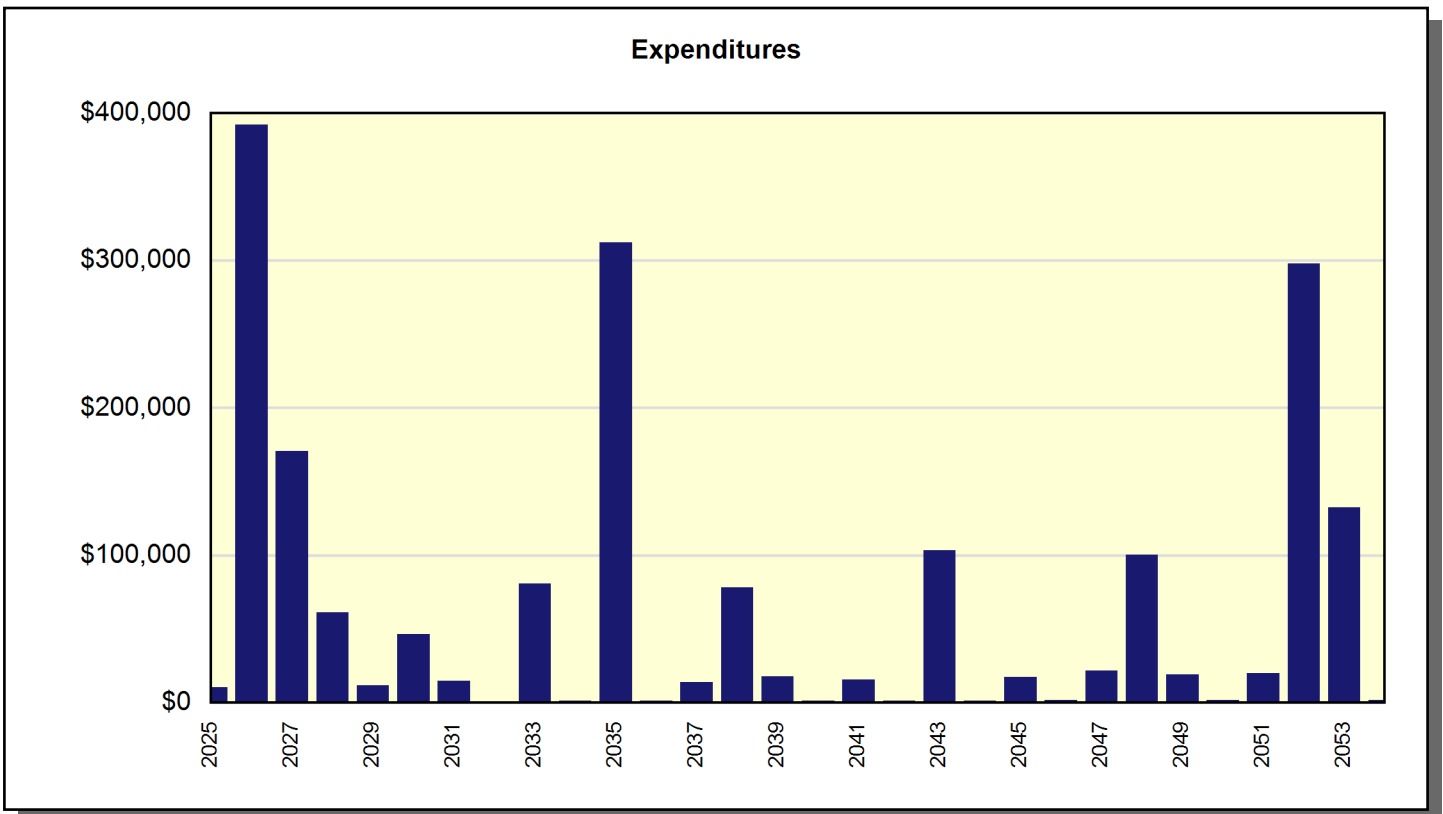
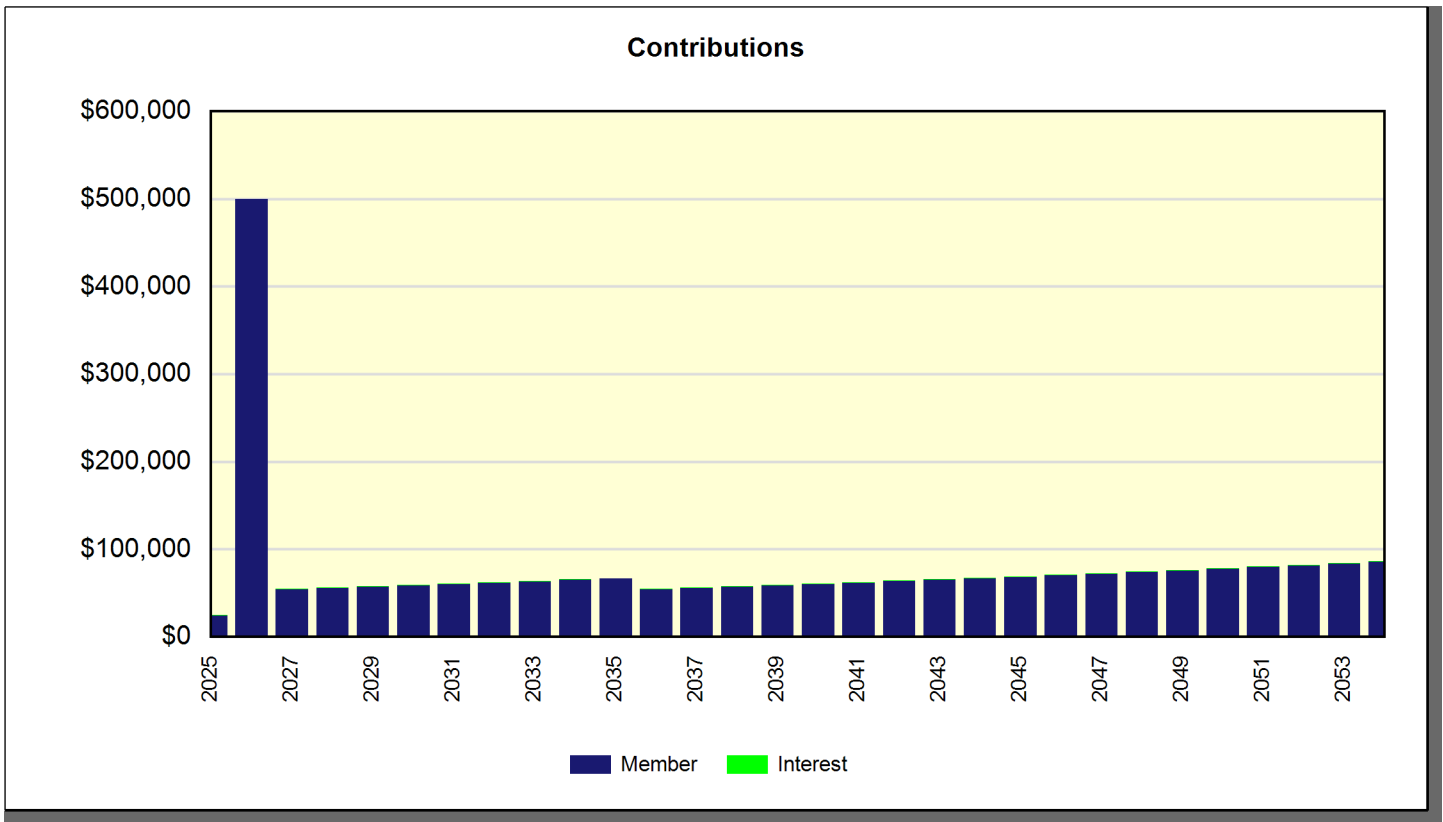
Cross Creek Condos - 200/300 Bldgs.

Projection Charts Directed Cash Flow Method



Cross Creek Condos - 200/300 Bldgs.

Projection Charts Directed Cash Flow Method



Cross Creek Condos - 200/300 Bldgs.

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Roofs - Composition Shingle

Category	010 Roofs	Quantity	17,066 sq. ft.
		Unit Cost	\$8.50
		% of Replacement	100.00%
		Current Cost	\$145,061.00
		Future Cost	\$152,404.71
Placed In Service	01/2002		
Useful Life	25		
		Assigned Reserves at FYB	\$0.00
Remaining Life	2	Monthly Member Contribution	\$310.52
Replacement Year	2027	Monthly Interest Contribution	\$0.73
		Total Monthly Contribution	\$311.25



These are the asphalt shingle roofs located on buildings 200 & 300.

In order to ensure a high quality installation, the client may wish to obtain the services of an independent roofing consultant to work with the client and the roofing contractor providing installation. Consultants are available for the preparation of installation specifications and, if desired, to work with the contractor during the installation process. Fees for these services vary based on the size of the project and detail required by the client, and have not been included in the cost used for this component. Should the client desire, a provision for a consultant can be incorporated into this analysis.

Cross Creek Condos - 200/300 Bldgs.

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Roofs - Gutter Cleaning

Category	010 Roofs	Quantity	1 total
		Unit Cost	\$2,100.00
		% of Replacement	100.00%
		Current Cost	\$2,100.00
		Future Cost	\$2,435.36
Placed In Service	01/2023		
Useful Life	8		
		Assigned Reserves at FYB	\$0.00
Remaining Life	6	Monthly Member Contribution	\$1.57
Replacement Year	2031	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$1.57



This is for the periodic cleaning of the gutters located on buildings 200 & 300. The current cost used for this component is based on actual expenditures incurred at last replacement, and has been adjusted for inflation where applicable.

Cross Creek Condos - 200/300 Bldgs.

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Roofs - Gutters & Downspouts

Category	010 Roofs	Quantity	1 total
		Unit Cost	\$6,840.00
		% of Replacement	100.00%
		Current Cost	\$6,840.00
		Future Cost	\$7,186.28
Placed In Service	01/2002		
Useful Life	25		
Remaining Life	2	Assigned Reserves at FYB	\$0.00
Replacement Year	2027	Monthly Member Contribution	\$14.64
		Monthly Interest Contribution	\$0.03
		Total Monthly Contribution	\$14.68



These are painted gutters & downspouts located on buildings 200 & 300. We have budgeted for the replacement of the gutters & downspouts to be replaced on the same schedule as the roofs.

480 In. ft. - downspouts	@	\$9.50	=	\$4,560.00
240 In. ft. - gutters	@	\$9.50	=	\$2,280.00
		TOTAL	=	<u>\$6,840.00</u>

Cross Creek Condos - 200/300 Bldgs.

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Decks & Railings - Back Decks, Synthetic Wood

Category	020 Decks & Railings	Quantity	4,160 sq. ft.
		Unit Cost	\$48.00
		% of Replacement	100.00%
		Current Cost	\$199,680.00
		Future Cost	\$255,607.28
Placed In Service	01/1985		
Useful Life	40		
Adjustment	+10	Assigned Reserves at FYB	\$0.00
Remaining Life	10	Monthly Member Contribution	\$93.63
Replacement Year	2035	Monthly Interest Contribution	\$0.22
		Total Monthly Contribution	\$93.85



This is for the replacement of the second and third floor balconies and railings as well as the stairwell railings located around the buildings. It is anticipated that not all of the balconies and railings will be replaced at one time. Therefore, we have budgeted for the balconies and railings to be replaced in four equal annual phases starting in 2038. This component should be monitored over time and the replacement years adjusted accordingly.

1,320 sq. ft. - decks, front	@	\$35.00	=	\$46,200.00
1,294 ln. ft. - wood railings	@	\$24.00	=	\$31,056.00
1,188 sq. ft. - decks, entry	@	\$35.00	=	\$41,580.00
180 wood steps	@	\$85.00	=	\$15,300.00
		TOTAL	=	<u>\$134,136.00</u>

Cross Creek Condos - 200/300 Bldgs.

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Decks & Railings - Wood Replacement

Category	020 Decks & Railings	Quantity	1 total
		Unit Cost	\$134,136.00
		% of Replacement	25.00%
		Current Cost	\$33,534.00
		Future Cost	\$42,926.36
Placed In Service	01/1985		
Useful Life	40		
Adjustment	+10	Assigned Reserves at FYB	\$0.00
Remaining Life	10	Monthly Member Contribution	\$15.72
Replacement Year	2035	Monthly Interest Contribution	\$0.04
		Total Monthly Contribution	\$15.76



This is for the replacement of the second and third floor balconies and railings as well as the stairwell railings located around the buildings. It is anticipated that not all of the balconies and railings will be replaced at one time. Therefore, we have budgeted for the balconies and railings to be replaced in four equal annual phases starting in 2038. This component should be monitored over time and the replacement years adjusted accordingly.

1,320 sq. ft. - decks, front	@	\$35.00	=	\$46,200.00
1,294 ln. ft. - wood railings	@	\$24.00	=	\$31,056.00
1,188 sq. ft. - decks, entry	@	\$35.00	=	\$41,580.00
180 wood steps	@	\$85.00	=	\$15,300.00
		TOTAL	=	\$134,136.00

Cross Creek Condos - 200/300 Bldgs.

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Windows & Doors - Replacement

Category	030 Windows & Doors	Quantity	1 total
		Unit Cost	\$381,600.00
		% of Replacement	100.00%
		Current Cost	\$381,600.00
		Future Cost	\$391,140.00
Placed In Service	01/1985		
Useful Life	40		
Adjustment	+1	Assigned Reserves at FYB	\$36,184.97
Remaining Life	1	Monthly Member Contribution	\$1,465.29
Replacement Year	2026	Monthly Interest Contribution	\$4.20
		Total Monthly Contribution	\$1,469.49



Cross Creek Condos - 200/300 Bldgs.

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category



This is for the replacement of the windows located around unit buildings 200 & 300.

0 FLOORPLAN A	@	\$0.00	=	\$0.00
30 windows, single	@	\$750.00	=	\$22,500.00
36 windows, double	@	\$1,500.00	=	\$54,000.00
18 doors	@	\$1,200.00	=	\$21,600.00
0 FLOORPLAN B	@	\$0.00	=	\$0.00
18 windows, single	@	\$750.00	=	\$13,500.00
12 windows, double	@	\$1,500.00	=	\$18,000.00
18 doors	@	\$1,200.00	=	\$21,600.00
0 FLOORPLAN C	@	\$0.00	=	\$0.00
24 windows, single	@	\$750.00	=	\$18,000.00
12 windows, double	@	\$1,500.00	=	\$18,000.00
18 doors	@	\$1,200.00	=	\$21,600.00
36 windows, transom	@	\$750.00	=	\$27,000.00
18 windows, triangle	@	\$750.00	=	\$13,500.00
0 FLOORPLAN D	@	\$0.00	=	\$0.00
30 windows, single	@	\$750.00	=	\$22,500.00
18 windows, double	@	\$1,500.00	=	\$27,000.00
24 doors	@	\$1,200.00	=	\$28,800.00
36 windows, transom	@	\$750.00	=	\$27,000.00
36 windows, triangle	@	\$750.00	=	\$27,000.00
		TOTAL	=	\$381,600.00

Cross Creek Condos - 200/300 Bldgs.

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Painting - Building Exterior

Category	040 Painting	Quantity	1 total
		Unit Cost	\$55,890.00
		% of Replacement	100.00%
		Current Cost	\$55,890.00
		Future Cost	\$60,187.42
Placed In Service	01/2023		
Useful Life	5		
		Assigned Reserves at FYB	\$0.00
Remaining Life	3	Monthly Member Contribution	\$80.68
Replacement Year	2028	Monthly Interest Contribution	\$0.19
		Total Monthly Contribution	\$80.87



This is painting unit buildings 200 & 300. The cost and useful life estimates for this component has been provided by the client and incorporated into this analysis at their request.

19,872 sq. ft. - STO	@	\$2.50	=	\$49,680.00
2,484 sq. ft. - wood	@	\$2.50	=	\$6,210.00
		TOTAL	=	<u>\$55,890.00</u>

Cross Creek Condos - 200/300 Bldgs.

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Garage Doors - Unfunded

Category	050 Garage Doors	Quantity	24 total
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
		Future Cost	\$0.00
Placed In Service	01/1985		
Useful Life	n.a.		
		Assigned Reserves at FYB	\$0.00
Remaining Life	n.a.	Monthly Member Contribution	\$0.00
Replacement Year	n.a.	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.00



Due to the nature and size of this expense, funding for this component has been excluded. It is anticipated that any expenditures can be effectively budgeted for by the client's operating and/or reserve contingency funds. This component is listed for inventory purposes only. Should the client choose, we can add a component for complete or partial replacement.

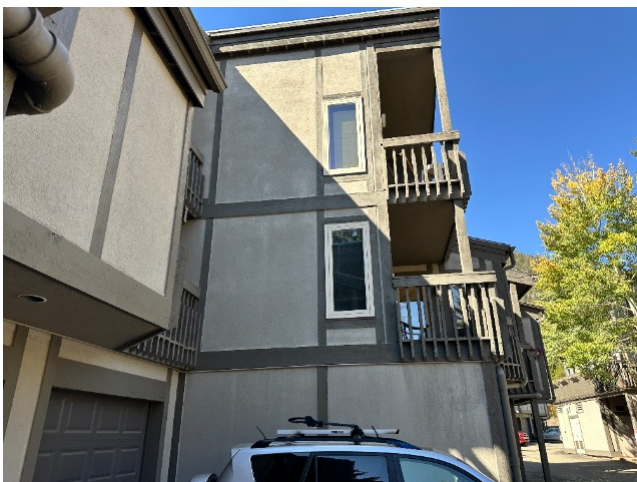
Cross Creek Condos - 200/300 Bldgs.

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Siding - STO, Inspection

Category	060 Siding	Quantity	1 total
		Unit Cost	\$1,000.00
		% of Replacement	100.00%
		Current Cost	\$1,000.00
		Future Cost	\$1,025.00
Placed In Service	01/2024		
Useful Life	1		
		Assigned Reserves at FYB	\$1,000.00
Remaining Life	0	Monthly Member Contribution	\$4.23
Replacement Year	2025	Monthly Interest Contribution	\$0.01
		Total Monthly Contribution	\$4.24



This is for an annual inspection of the exterior STO siding. Should the client choose, we can add a component for a complete replacement of the STO siding.

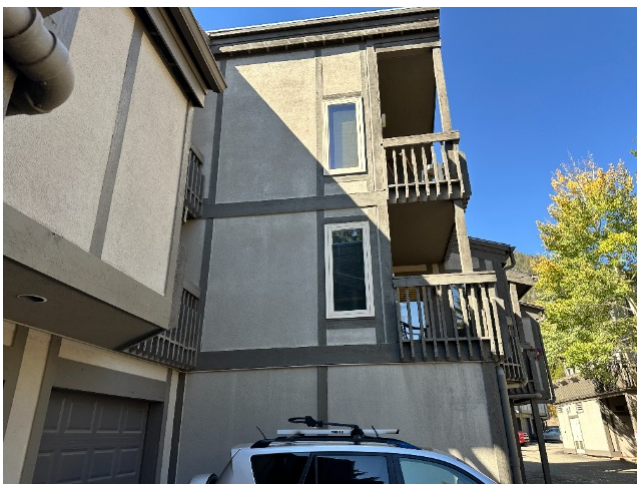
Cross Creek Condos - 200/300 Bldgs.

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Siding - STO, Repairs

Category	060 Siding	Quantity	19,872 sq. ft.
		Unit Cost	\$16.00
		% of Replacement	3.00%
		Current Cost	\$9,538.56
		Future Cost	\$10,021.45
Placed In Service	01/2023		
Useful Life	2		
		Assigned Reserves at FYB	\$9,538.56
Remaining Life	0	Monthly Member Contribution	\$20.42
Replacement Year	2025	Monthly Interest Contribution	\$0.05
		Total Monthly Contribution	\$20.47



This is for the repairs to the STO siding located around buildings 200 & 300. It is anticipated that not all of the STO siding will need replacement at one time. Therefore, we have budgeted for 3% of the STO siding to be repairs or replaced every two years. This component should be monitored over time and the replacement percentage and useful life adjusted accordingly. Should the client choose, we can add a component for a complete replacement of the STO siding.

A provision for an annual STO inspection is listed in this analysis under a separate component.

Cross Creek Condos - 200/300 Bldgs.

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Siding - Stone, Unfunded

Category	060 Siding	Quantity	2,484 sq. ft.
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
		Future Cost	\$0.00
Placed In Service	01/1985		
Useful Life	n.a.		
		Assigned Reserves at FYB	\$0.00
Remaining Life	n.a.	Monthly Member Contribution	\$0.00
Replacement Year	n.a.	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.00



Due to the nature and size of this expense, funding for this component has been excluded. It is anticipated that any expenditures can be effectively budgeted for by the client's operating and/or reserve contingency funds. This component is listed for inventory purposes only. Should the client choose we can add a component for repairs or complete replacement.

stone siding

2,484 sq. ft.

2,484 sq. ft.

Cross Creek Condos - 200/300 Bldgs.

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Siding - Wood, Unfunded

Category	060 Siding	Quantity	2,484 sq. ft.
		Unit Cost	\$0.00
		% of Replacement	0.00%
		Current Cost	\$0.00
		Future Cost	\$0.00
Placed In Service	01/1985		
Useful Life	n.a.		
		Assigned Reserves at FYB	\$0.00
Remaining Life	n.a.	Monthly Member Contribution	\$0.00
Replacement Year	n.a.	Monthly Interest Contribution	\$0.00
		Total Monthly Contribution	\$0.00



Due to the nature and size of this expense, funding for this component has been excluded. It is anticipated that any expenditures can be effectively budgeted for by the client's operating and/or reserve contingency funds. This component is listed for inventory purposes only. Should the client choose we can add a component for repairs or complete replacement.

wood siding

2,484 sq. ft.

2,484 sq. ft.

Cross Creek Condos - 200/300 Bldgs.

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Lighting - Building Exterior

Category	070 Lighting	Quantity	1 total
		Unit Cost	\$25,000.00
		% of Replacement	100.00%
		Current Cost	\$25,000.00
		Future Cost	\$28,285.21
Placed In Service	01/1985		
Useful Life	40		
Adjustment	+5	Assigned Reserves at FYB	\$0.00
Remaining Life	5	Monthly Member Contribution	\$22.16
Replacement Year	2030	Monthly Interest Contribution	\$0.05
		Total Monthly Contribution	\$22.21



This is for the replacement of the exterior unit building lighting fixtures located around the buildings. The remaining life of this component has been extended due to its condition at our most recent site visit.

Cross Creek Condos - 200/300 Bldgs.

Component Detail

Directed Cash Flow Calculation Method; Sorted By Category

Grounds - Gazebo Deck

Category	080 Grounds	Quantity	1 deck
		Unit Cost	\$15,000.00
		% of Replacement	100.00%
		Current Cost	\$15,000.00
		Future Cost	\$16,971.12
Placed In Service	01/1985		
Useful Life	40		
Adjustment	+5	Assigned Reserves at FYB	\$0.00
Remaining Life	5	Monthly Member Contribution	\$13.29
Replacement Year	2030	Monthly Interest Contribution	\$0.03
		Total Monthly Contribution	\$13.33



This is for the replacement of the painted wood deck located between buildings 200 & 300. The remaining life of this component has been extended due to its condition at our most recent site visit.

Cross Creek Condos - 200/300 Bldgs.

Component Detail Index

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14 Components