

Cross Creek Financials

Operating Expenses

December 31, 2022

1. Operating Expenses Budget	468,163
2. Operating Expenses Actual	458,506
3. Net Operating Income	9,657
4. Retained Earnings	62,931

Net Operating Income ratio (line 3/line 1) : 2%

Net Operating Income Variance Analysis (rounded)

Lower Legal Expenses	2,500
Lower Sidewalk, Irrigation Repairs	12,600
Higher Utility Costs	(5,500)
Net Operating Income	9,600

Reserve Expenses

Annual 30 year Reserve allocation was reduced from \$176 thousand in 2022 to \$170 thousand in 2023.

30 Year Reserve Summary

Beginning Balance	\$453,312
30 year capital replacement costs*	5,257,197
30 year Reserve allocations	5,100,000
Ending Balance	\$296,315

Replacement cost ratio

2023 Ending Balance/30 yr. replacement costs: 5.6%

2022 Ending Balance/30 yr. replacement costs: 8.6%

Reserve Variance Analysis

	Plan	Actual	Variance
House Painting	2,800	2,825	(18,900)
Mulch	34,000	27,600	138,750
Entrance Signage	9,100	0	NA
Erosion Control	42,000	18,600	?

*60% of replacement costs reprice in 7 years. Painting at 36% and mulch at 12% of total 30-year Reserve costs are the largest components.