

Treasurer's Report – Cross Creek HOA March 2026

After the first quarter of 2026 our Maintenance Fee Income continues to be on target with no delinquencies beyond 30 days.

Our Reserves ended the month at \$572,728, an increase of \$10,252 from last month. During the month we added \$10,248 from monthly fees and disbursed \$19,025 for mulch (\$17,775) and recertification of the ponds with SWFWMD (\$1,250). An additional expense for pine straw around the common areas was charged to Operating Expense in error (\$3,300). This adjustment will be made in April so that YTD numbers will then be correct.

The variances in sample expenses are highlighted below for your information.

| Income & Expense Highlights <i>(Columns do not add)</i> | | Mon Act | Mon Bud | Mon Var | YTD Act | YTD Bud | YTD Var |
|---|---|----------------|----------------|----------------|----------------|----------------|----------------|
| Admin Expenses | 1 | 3,928 | 4,601 | 673 | 11,884 | 13,805 | 1,920 |
| Repairs General | 2 | 569 | 1,250 | 680 | 3,031 | 3,750 | 718 |
| Sidewalks | 3 | - | 1,250 | 1,250 | - | 3,750 | 3,750 |
| Grounds Maintenance | 4 | 17,550 | 12,500 | (5,050) | 40,050 | 37,500 | (2,550) |
| Irrigation | 5 | 488 | 916 | 426 | 760 | 2,750 | 1,989 |
| Electrical Power | 6 | 2,895 | 2,647 | (248) | 8,744 | 7,942 | (803) |
| Total Expense | | 47,647 | 46,988 | (658) | 131,332 | 140,966 | 9,633 |
| Operating Net Income | 7 | (540) | - | (540) | 10,001 | - | 10,001 |

1. Positive variance is a result of less expense from insurance and no legal expense. Insurance is up for renewal in May and could change this variance going forward.
2. Repairs were only minor for the month. Anticipate more will occur.
3. We recently signed a contract to grind a significant number of sidewalks. This expense will be reflected in the coming months.
4. Turfco expenses ran higher than normal for the month as a result of \$3,000 paid for an additional leaf removal. This amount was also inflated by posting a portion of Mulch expense to Operating instead of Reserves. This adjustment will be made in April.
5. Irrigation challenges remain. These expenses are for the common areas only as residents are responsible for their own system.
6. Power increases reflect the increase in power rates.
7. The Negative Net Income is a result of \$3,300 of mulch charged to Operating instead of Reserves. This adjustment will be made in the April Statement.

During the month our Committee for Long Range Reserve Planning met again and made adjustments to the various categories of anticipated future expense. We began 2025 with an updated Reserve Study by the Felprin Group. We have shortened the expected life of many of these items and have adjusted the possible replacement cost upward. We also increased the expected rate of inflation, increased the monthly forecast of reserve contributions and made adjustments to the anticipated return on investments. The end result provides a greater protection for Cross Creek with higher forecasted balances. A complete report will be forth coming during the year.

A major Reserve expense will be incurred during the month of May. We have a significant pooling of rain water and damage to the roadway on Woodstream Drive. The root structure of the trees has raised the level of the concrete Miami drain, invaded the asphalt roadway and therefore blocked the rainwater runoff to the respective storm drain catch basins.

After considerable study and input from our arborists and roadway contractors, we have contracted services to remove two oak trees which have caused the drainage issue. The Miami curb will be removed and replaced. One half of the roadway will be rebuilt from the base to the topping for a length of approximately 85 feet. We obtained three written proposals for the work.

This expense is a perfect example for need to have significant reserves. The total cost of this project will be over \$17,000 and obviously was not a budgeted item.

The Board continues to make prudent financial decisions to protect our community. Any input you may have will be appreciated.

Parker Stafford, Treasurer