

**Florida Reserve Study and Appraisal, Inc.**

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February 16, 2016

**Reserve Study Addendum**

Two Creeks CDD

2806 N 5th Street, Unit 403

St. Augustine, Florida 32084

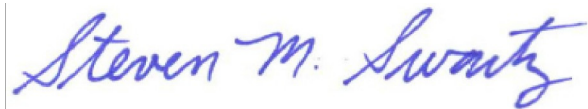
Board of Directors,

This is a small addendum to the reserve study report. The District Management was interested to have the numbers run for just a small selection of reserve items. These reserve items were noted to be critical items that would be replaced in the relative near future. The following report uses the hypothetical condition that these are the only items to be funded. It also uses the hypothetical condition that the items are non-repeating, meaning that each was only funded for its first replacement. The conclusions from this report are to fund these 11 items, that the District would need to fund \$31,000 in total funding for the 2016-2017 fiscal year. This breaks down to \$49.68 per owner per year.

Prepared by:



Paul Gallizzi



Steven M. Swartz, RS

**Two Creeks CDD Reserve Study Expense Item Summary**

<b>Reserve Items</b>	<b>Current Cost When New</b>	<b>Estimated Remaining Life</b>	<b>Expected Life When New</b>	<b>First Replacement Cost</b>	<b>Repeating Item?</b>
<b>Amenity Center</b>					
Awnings for Pool and Tennis Areas	\$ 9,800	0 Years	8 Years	\$ 10,048	No
Fitness Center Rubber Flooring	\$ 2,041	6 Years	12 Years	\$ 2,430	No
(1) Community Security 11 Camera System	\$ 15,000	0 Years	8 Years	\$ 15,379	No
<b>Other Recreation</b>					
Tennis Courts Repaint	\$ 9,900	4 Years	5 Years	\$ 11,217	No
Basketball Court Repaint and Resurface	\$ 10,000	0 Years	5 Years	\$ 10,253	No
Basketball Court Hoops	\$ 2,000	1 Years	10 Year	\$ 2,102	No
<b>Pool Area</b>					
Pool Equipment Allowance	\$ 12,500	2 Years	5 Years	\$ 13,473	No
Main Pool ReMarcite	\$ 53,298	2 Years	10 Years	\$ 57,445	No
Kids Pool ReMarcite	\$ 4,383	2 Years	10 Years	\$ 4,724	No
Pool Furniture	\$ 11,300	0 Years	8 Years	\$ 11,586	No
Sandblast, Powder Coat, and Paint Pool Slide and Splash Equipment	\$ 17,000	0 Years	8 Years	\$ 17,430	No

*Expected annual inflation: 2.50%*

*Interest earned on reserve funds: 1.00%*

*Initial Reserve: \$ 48,030*

Reserve Item Comments

(1) Currently, there are 8 cameras. There are plans to add 3 more cameras to the system.

## Two Creeks CDD Funding Study Modified Cash Flow Analysis

<b>Fiscal Calendar Year</b>	<b>Annual Assessment</b>	<b>Annual Interest</b>	<b>Annual Expenses</b>	<b>Net Reserve Funds</b>	<b>% Funded</b>
2016	\$ 31,000	\$ 623	\$ 64,696	\$ 14,957	11.7%
2017	\$ 31,000	\$ 292	\$ 2,102	\$ 44,147	59.1%
2018	\$ 31,000	\$ 584	\$ 75,641	\$ 90	0.1%
2019	\$ 6,000	\$ 28		\$ 6,118	56.4%
2020	\$ 6,000	\$ 89	\$ 11,217	\$ 990	7.5%
2021	\$ 1,000	\$ 14		\$ 2,005	91.6%
2022	\$ 1,000	\$ 25	\$ 2,430	\$ 599	24.6%
<b>Totals :</b>	<b>\$ 107,000</b>	<b>\$ 1,655</b>	<b>\$ 156,086</b>		

*The cash distribution shown in this table applies to repair and replacement cash reserves only.*

*Basis of Funding Study - Modified Cash Flow*

Cash reserves have been set to a minimum of \$ 0

Cash Flow has been modified with the forced Fixed Payments.

Inflation = 2.50 %      Interest = 1.00 %      Study Life = 30 years      Initial Reserve Funds = \$ 48,030.00

**Two Creeks CDD Modified Reserve Assessment Summary**  
**Projected Assessment by Month and by Fiscal Calendar Year**

<b>Fiscal Calendar Year</b>	<b>Owner Total Annual Assessment</b>	<b>Annual Reserve Assessment</b>
2016	\$ 49.68	\$ 31,000
2017	\$ 49.68	\$ 31,000
2018	\$ 49.68	\$ 31,000
2019	\$ 9.62	\$ 6,000
2020	\$ 9.62	\$ 6,000
2021	\$ 1.60	\$ 1,000
2022	\$ 1.60	\$ 1,000

Assessment Summary has been modified with forced Fixed Payments.

*In the context of the Reserve Payment Summary, the "Annual Reserve Payment" corresponds with the "Annual Revenue" in the Cash Flow report.*

*Number of Years of Constant Payments: 1*

*No of Assessed Owners: 624*

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**Expense Summary by Year**

Year	Category	Item Name	Expense	
FY 2016	Amenity Center	Awnings for Pool and Tennis Areas	\$ 10,048	
		Community Security 11 Camera System	\$ 15,379	
	Amenity Center Subtotal = \$ 25,427.00			
	Other Recreation	Basketball Court Repaint and Resurface	\$ 10,253	
	Pool Area	Pool Furniture	\$ 11,586	
		Sandblast, Powder Coat, and Paint Pool Slide and Splash Equipment	\$ 17,430	
Pool Area Subtotal = \$ 29,016.00				
FY 2016 Annual Expense Total = \$ 64,696				
FY 2017	Other Recreation	Basketball Court Hoops	\$ 2,102	
Annual Expense Total = \$ 2,102				
FY 2018	Pool Area	Pool Equipment Allowance	\$ 13,473	
		Main Pool ReMarcite	\$ 57,445	
		Kids Pool ReMarcite	\$ 4,724	
	Pool Area Subtotal = \$ 75,642.00			
FY 2018 Annual Expense Total = \$ 75,642				
FY 2020	Other Recreation	Tennis Courts Repaint	\$ 11,217	
Annual Expense Total = \$ 11,217				
FY 2022	Amenity Center	Fitness Center Rubber Flooring	\$ 2,430	
Annual Expense Total = \$ 2,430				