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INFINITE SROI MEMO: HOLY CROSS ARMENIAN CATHOLIC CHURCH (BELMONT, MA) BUILDING PRESERVATION RESERVE CALCULATION

Date: July 2026

1. Purpose and Recommendation:

Khachkar Studios has reviewed the July 2026 Infinite SROI Memo: Building Preservation Reserve and applied both approved formulas to Holy Cross Armenian Catholic Church. Using a preliminary church replacement cost of \$8.36 million, approximately 15,000 gross exterior-wall building square feet, a replacement-cost benchmark of \$557 per square foot including fixtures, and \$220,389 of reported repairs and maintenance during 2021–2025 as the available proxy for renovations, both alternatives indicate an annual reserve of approximately \$136,000. This is a preliminary planning figure, not an engineering reserve study or insurance valuation.

2. Inputs and Renovations Considered:

The calculation uses the following working inputs:

Input	Working Value	Basis
Church replacement cost	\$8.36 million	Preliminary replacement value used for Alternative 1
Gross church building area	15,000 ft²	Preliminary gross exterior-wall building-area estimate
Replacement cost per ft²	\$557/ft²	Working benchmark including permanently installed fixtures
Repairs and maintenance, 2021–2025	\$220,389	Available financial-statement proxy for renovations during the last five years
Estimated useful life	60 years	Approved Building Preservation Reserve formula

Five-year amount used: 2021 \$45,330.95; 2022 \$19,706.05; 2023 \$34,621.22; 2024 \$50,297.59; and 2025 \$70,433.64; total \$220,389.45.

3. Two Alternative Formula Calculations:

Alternative 1 - Annual reserve = (Church replacement cost - cost of renovations from last 5 years) / Estimated useful life of 60 years

$$(\$8,360,000 - \$220,389) / 60 = \$135,660 \text{ per year}$$

Alternative 2 - Annual reserve = ((gross exterior-wall building square feet x current replacement cost per square foot, including fixtures) - cost of renovations from last 5 years) / Estimated useful life of 60 years

$$((15,000 \text{ ft}^2 \times \$557/\text{ft}^2) - \$220,389) / 60 = \$135,577 \text{ per year}$$

Rounded annual Building Preservation Reserve under either alternative: approximately \$136,000.

4. Key Qualifications:

The financial statements identify annual “Repairs and Maintenance,” not a separately defined renovation schedule. Accordingly, the \$220,389 deduction is a working proxy and may include ordinary maintenance that should not be deducted under the formula. Holy Cross should confirm the non-overlapping cost of qualifying renovations completed during the last five years, the current insured replacement cost, and the gross exterior-wall floor area across all included levels. The separately assessed rectory is excluded.

5. Recommended Next Step:

For preliminary budgeting, Holy Cross should establish an annual Building Preservation Reserve of approximately \$136,000. Before formal adoption, the church should replace the working assumptions with its insurance replacement-cost report, architectural gross-area records, and a verified five-year schedule of qualifying renovations.

Sources: Khachkar Studios, Infinite SROI Memo: Building Preservation Reserve Formula (July 2026); Holy Cross Armenian Catholic Church financial statements for 2021–2025.