

The Springs at Santa Rita HOA Reserve Fund 2010 Executive Summary

This is the fifth year of our 2005 30-year Reserve Fund plan. This Fund at \$276,868 was 51.7% funded for 2009 which is considered a "fair" financial position, within industry standards. Our 30-year plan projected contribution rates will bring us to 100% funded in the mid to late 2020's. The Reserve Fund percent funded will oscillate tracking yearly withdrawals, but will continue an upward trend over time.

This year the homeowners dues remain the same as 2009 but we must give a gentle forewarning. The fact that dues have remained constant does not mean that costs have not gone up. It means that due to the fiscal diligence of the Grounds, Streets, and Reserve Committees there were not any expenditures paid for with reserve funds in 2009. This will not be the case in the years to come.

The streets remain the primary expense in the future. This is why the Reserve Committee has requested the Board of Directors establish a streets guru on the Streets & Buildings Committee whose only job would be to research and project the costs of maintenance and replacement of our streets.

The reserve fund is a critical part of any HOA's financial health. In 2005, Association Reserves of Arizona, a professional HOA reserve fund advisory company, did a full reserve study to establish a 30-year plan for us. Over the last five years the Reserve Committee has made several changes. We believe these changes are in line with our 30-year plan.

HOA Reserve Components		2010		Inflation factor		5			
#	Description			1.15927					
Common Area		Contrib	Spend	Full Fund	Base Cost	Life	R-L	U-L	Inf-Frac
201	Asphalt - Resurface	31,261	-	312,614	808,992	30	20	10	1.159274
205	Asphalt - Seal Coat	9,445	-	18,891	35,613	4	2	2	1.060900
206	Asphalt - Crack Fill	6,219	24,877	24,877	22,103	4	0	4	1.125509
207	Asphalt - Overlay (SAM)	18,340	-	165,063	237,308	15	6	9	1.159274
503	Metal Fences - Replace	121	-	1,694	2,505	24	10	14	1.159274
912	Gatehouse - Computer - Replace	248	-	1,490	1,500	7	1	6	1.159274
913	Gatehouse - Copier - Replace	69	-	685	650	11	1	10	1.159274
920	Gatehouse - HVAC - Replace	162	-	1,623	2,100	15	5	10	1.159274
1107	Metal Fences/Gates - Repaint	226	1,130	1,130	975	5	0	5	1.159274
1113	Stucco Walls - Repaint	533	2,666	2,666	2,300	5	0	5	1.159274
1115	Gatehouse Stucco-Repair	1,855	9,274	9,274	8,000	5	0	5	1.159274
1116	Gatehouse Eaves-Repaint	228	1,138	1,138	982	5	0	5	1.159274
1117	Gatehouse Wood (u/roof)-Stain	168	-	841	1,741	12	7	5	1.159274
1120	Maintenance Building - Repaint	115	-	575	595	6	1	5	1.159274
1301	Flat Roof - Replace	57	-	798	885	18	4	14	1.159274
1304	Tile Roof - Repair	289	-	4,047	7,480	30	16	14	1.159274
Parks & Landscape									
410	Fitness Trail - Replace - The Park	353	-	4,945	9,140	30	16	14	1.159274
411	Fitness Trail - Replace - Park #21	353	-	4,945	9,140	30	16	14	1.159274
412	Wood Timbers - Replace - Park #21	47	-	660	610	15	1	14	1.159274
420	Park Furniture - Replace - The Park	299	-	4,193	7,750	30	16	14	1.159274
1002	Wolf Run Park #2 - Replenish	2,135	-	6,405	33,213	17	14	3	1.092727
1003	Blue Fox Park #3	580	-	4,637	5,000	10	2	8	1.159274
1004	S. Viva Park #4 - Replenish	474	-	4,742	4,500	11	1	10	1.159274
1005	S Front Park #5 - Replenish	381	-	1,524	5,755	17	13	4	1.125509
1006	Cristal Park #6- Replenish	712	-	2,135	11,070	17	14	3	1.092727
1007	Florida Park #7- Replenish	553	-	1,658	8,600	17	14	3	1.092727
1008	Fox-Fonda Park #8 - Replenish	819	-	2,458	12,747	17	14	3	1.092727
1009	Fonda-Heroe Park #9 - Replenish	2,687	26,866	26,866	23,175	10	0	10	1.159274
1010	E Puma Park #10A- Replenish	184	-	367	2,944	17	15	2	1.060900
1011	W Puma Park #11 - Replenish	539	-	1,078	8,633	17	15	2	1.060900
1013	Solmos Park #13 - Replenish	362	-	1,085	5,625	17	14	3	1.092727
1014	NW Front Park #14B - Replenish	206	-	1,234	3,015	17	11	6	1.159274
1015	S Encino Park #15 - Replenish	651	-	3,256	9,550	17	12	5	1.159274
1017	N Encino Park #17 - Replenish	651	-	3,256	9,550	17	12	5	1.159274
1018	Rambles Park #18 - Replenish	532	-	2,660	7,800	17	12	5	1.159274
1020	Comica Park #20 - Replenish	643	-	1,928	10,000	17	14	3	1.092727
1021	Cefiro Park #21- Replenish	431	-	1,292	6,700	17	14	3	1.092727
1022	Squirrel Park #22- Replenish	225	-	675	3,500	17	14	3	1.092727
1025	Puma Wash #10B - Replenish	428	-	1,710	6,458	17	13	4	1.125509
1026	NE Front Park #14A - Replenish	572	-	2,286	8,632	17	13	4	1.125509
		84,152	65,953	633,402	1,346,836				