

The Springs at Santa Rita HOA Reserve Fund 2011 Summary

This is the sixth year of our 2005 30-year Reserve Fund plan. This account, at \$334,413, was 52.8% funded for 2010 which is considered a "fair" financial position within industry standards. The plans projected contribution rates will bring us to 100% funded in the mid to late 2020's. The percent funded will oscillate tracking yearly withdrawals but will continue an upward trend over time.

This year the homeowners dues increased by \$15 but we must give a gentle forewarning. The fact that dues have not increased significantly does not mean that repair and maintenance costs have not gone up. It means that due to the fiscal diligence of the Grounds, Streets, and Reserve Committees, there were not any unexpected expenditures paid for from the reserve funds in 2010.

The streets remain the primary expense in the future.

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 six years the Reserve Committee has made several changes. We believe these changes are in line with our 30-year plan. This year the Board of Directors has budgeted for a professional review of our 30-year Reserve Fund Plan.

The chart below shows assets, contribution, and expenditures for 2011.

| HOA Reserve Components | | | 2011 | Inflation factor | | 6 | | | | |
|------------------------------|-------------------------------------|---------------|---------------|------------------|------------------|------|-----|-----|----------|--|
| # | Description | | | 1.194052 | | | | | | |
| Common Area | | Contrib | Spend | Full Fund | Base Cost | Life | R-L | U-L | Inf-Frac | |
| 201 | Asphalt - Resurface | 32,199 | - | 354,192 | 808,992 | 30 | 19 | 11 | 1.194052 | |
| 205 | Asphalt - Seal Coat | 9,729 | - | 29,186 | 35,613 | 4 | 1 | 3 | 1.092727 | |
| 206 | Asphalt - Crack Fill | 5,125 | 25,623 | 25,623 | 22,103 | 5 | 0 | 5 | 1.159274 | |
| 207 | Asphalt - Overlay (SAM) | 18,891 | - | 188,905 | 237,308 | 15 | 5 | 10 | 1.194052 | |
| 503 | Metal Fences - Replace | 125 | - | 1,869 | 2,505 | 24 | 9 | 15 | 1.194052 | |
| 912 | Gatehouse - Computer - Replace | 224 | - | 1,567 | 1,500 | 8 | 1 | 7 | 1.194052 | |
| 913 | Gatehouse - Copier - Replace | 65 | - | 711 | 650 | 12 | 1 | 11 | 1.194052 | |
| 920 | Gatehouse - HVAC - Replace | 167 | - | 1,839 | 2,100 | 15 | 4 | 11 | 1.194052 | |
| 1107 | Metal Fences/Gates - Repaint | 201 | - | 201 | 975 | 5 | 4 | 1 | 1.030000 | |
| 1113 | Stucco Walls - Repaint | 474 | - | 474 | 2,300 | 5 | 4 | 1 | 1.030000 | |
| 1115 | Gatehouse/Wall Stucco-Repair | 1,648 | - | 1,648 | 8,000 | 5 | 4 | 1 | 1.030000 | |
| 1116 | Gatehouse Eaves-Repaint | 206 | - | 206 | 1,000 | 5 | 4 | 1 | 1.030000 | |
| 1117 | Gatehouse Wood (u/roof)-Stain | 173 | - | 1,039 | 1,741 | 12 | 6 | 6 | 1.194052 | |
| 1120 | Maintenance Building - Repaint | 89 | - | 533 | 595 | 8 | 2 | 6 | 1.194052 | |
| 1301 | Flat Roof - Replace | 59 | - | 881 | 885 | 18 | 3 | 15 | 1.194052 | |
| 1304 | Tile Roof - Repair | 298 | - | 4,466 | 7,480 | 30 | 15 | 15 | 1.194052 | |
| Parks & Landscape | | | | | | | | | | |
| 410 | Fitness Trail - Replace - The Park | 364 | - | 5,457 | 9,140 | 30 | 15 | 15 | 1.194052 | |
| 411 | Fitness Trail - Replace - Park #21 | 364 | - | 5,457 | 9,140 | 30 | 15 | 15 | 1.194052 | |
| 412 | Wood Timbers - Replace - Park #21 | 46 | 728 | 728 | 610 | 16 | 0 | 16 | 1.194052 | |
| 420 | Park Furniture - Replace - The Park | 308 | - | 4,627 | 7,750 | 30 | 15 | 15 | 1.194052 | |
| 1002 | Wolf Run Park #2 - Replenish | 2,199 | - | 8,796 | 33,213 | 17 | 13 | 4 | 1.125509 | |
| 1003 | Blue Fox Park #3 | 597 | - | 5,373 | 5,000 | 10 | 1 | 9 | 1.194052 | |
| 1004 | S. Viva Park #4 - Replenish | 413 | - | 4,547 | 4,500 | 13 | 2 | 11 | 1.194052 | |
| 1005 | S Front Park #5 - Replenish | 392 | - | 1,962 | 5,755 | 17 | 12 | 5 | 1.159274 | |
| 1006 | Cristal Park #6- Replenish | 733 | - | 2,932 | 11,070 | 17 | 13 | 4 | 1.125509 | |
| 1007 | Florida Park #7- Replenish | 569 | - | 2,278 | 8,600 | 17 | 13 | 4 | 1.125509 | |
| 1008 | Fox-Fonda Park #8 - Replenish | 844 | - | 3,376 | 12,747 | 17 | 13 | 4 | 1.125509 | |
| 1009 | Fonda-Heroe Park #9 - Replenish | 909 | - | 909 | 15,000 | 17 | 16 | 1 | 1.030000 | |
| 1010 | E Puma Park #10A- Replenish | 189 | - | 568 | 2,944 | 17 | 14 | 3 | 1.092727 | |
| 1011 | W Puma Park #11 - Replenish | 555 | - | 1,665 | 8,633 | 17 | 14 | 3 | 1.092727 | |
| 1013 | Solmos Park #13 - Replenish | 372 | - | 1,490 | 5,625 | 17 | 13 | 4 | 1.125509 | |
| 1014 | NW Front Park #14B - Replenish | 212 | - | 1,482 | 3,015 | 17 | 10 | 7 | 1.194052 | |
| 1015 | S Encino Park #15 - Replenish | 671 | - | 4,025 | 9,550 | 17 | 11 | 6 | 1.194052 | |
| 1017 | N Encino Park #17 - Replenish | 671 | - | 4,025 | 9,550 | 17 | 11 | 6 | 1.194052 | |
| 1018 | Rambles Park #18 - Replenish | 548 | - | 3,287 | 7,800 | 17 | 11 | 6 | 1.194052 | |
| 1020 | Comica Park #20 - Replenish | 662 | - | 2,648 | 10,000 | 17 | 13 | 4 | 1.125509 | |
| 1021 | Cefiro Park #21- Replenish | 444 | - | 1,774 | 6,700 | 17 | 13 | 4 | 1.125509 | |
| 1022 | Squirrel Park #22- Replenish | 232 | - | 927 | 3,500 | 17 | 13 | 4 | 1.125509 | |
| 1025 | Puma Wash #10B - Replenish | 440 | - | 2,202 | 6,458 | 17 | 12 | 5 | 1.159274 | |
| 1026 | NE Front Park #14A - Replenish | 589 | - | 2,943 | 8,632 | 17 | 12 | 5 | 1.159274 | |
| | | 82,993 | 26,352 | 686,817 | 1,338,679 | | | | | |