

## The Springs at Santa Rita HOA Reserve Fund 2012 Executive Summary

This is the seventh year of our 2005 30-year Reserve Fund plan. This Fund at \$418,770 was 61% funded for 2011 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.

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. This 30-year plan was updated this year by the same company. Over the last six years the Reserve Committee has made several changes. We believe these changes are in line with our 30-year plan.

The following are the projected contribution and expenses for 2012.

HOA Reserve Components		2012		Inflation factor		7			
#	Description			1.2298739					
Common Area		Contrib	Spend	100% Fund	Base Cost	Life	R-L	U-L	Inf-Frac
201	Asphalt - Resurface	33,165	-	397,983	808,992	30	18	12	1.229874
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)	19,457	-	214,030	237,308	15	4	11	1.229874
503	Metal Fences - Replace	128	-	2,054	2,505	24	8	16	1.229874
601	Fountain Pump - Replace	93	-	93	900	10	9	1	1.030000
703	Entry System - Replace	356	-	1,778	4,600	15	10	5	1.159274
705	Gate Operators - Replace	556	-	2,782	7,200	15	10	5	1.159274
912	Gatehouse - Comp/Copy/Prntr - Replace	309	-	309	1,500	5	4	1	1.030000
920	Gatehouse - HVAC - Replace	172	-	2,066	2,100	15	3	12	1.229874
1107	Metal Fences/Gates - Repaint	207	-	414	975	5	3	2	1.060900
1113	Stucco Walls - Repaint	488	-	976	2,300	5	3	2	1.060900
1115	Gatehouse/Wall Stucco-Repair	1,697	-	3,395	8,000	5	3	2	1.060900
1116	Gatehouse Wood-Repaint	146	-	146	1,700	12	11	1	1.030000
1120	Maintenance Building - Repaint	102	-	102	595	6	5	1	1.030000
1301	Flat Roof - Replace	60	-	968	885	18	2	16	1.229874
1304	Tile Roof - Repair	307	-	4,906	7,480	30	14	16	1.229874
1500	Utl Trailer - Replace	36	-	215	600	20	14	6	1.194052
1510	ATV - Replace	597	-	3,582	5,000	10	4	6	1.194052
Parks & Landscape									
410	Fitness Trail - Replace - Nature Park	375	-	5,995	9,140	30	14	16	1.229874
411	Fitness Trail - Replace - Park #21	375	-	5,995	9,140	30	14	16	1.229874
412	Wood Timbers - Replace - Park #21	63	-	63	980	16	15	1	1.030000
420	Park Furniture - Replace - The Park	318	-	5,083	7,750	30	14	16	1.229874
1002	Wolf Run Park #2 - Replenish	2,042	-	16,339	33,213	20	12	8	1.229874
1003	Blue Fox Park #3	615	6,149	6,149	5,000	10	0	10	1.229874
1004	S. Viva Park #4 - Replenish	426	-	5,109	4,500	13	1	12	1.229874
1005	S Front Park #5 - Replenish	354	-	3,185	5,755	20	11	9	1.229874
1006	Cristal Park #6 - Replenish	681	-	5,446	11,070	20	12	8	1.229874
1007	Florida Park #7 - Replenish	529	-	4,231	8,600	20	12	8	1.229874
1008	Fox-Fonda Park #8 - Replenish	784	-	6,271	12,747	20	12	8	1.229874
1009	Fonda-Heroe Park #9 - Replenish	869	-	4,347	15,000	20	15	5	1.159274
1010	E Puma Park #10 - Replenish	181	-	1,267	2,944	20	13	7	1.229874
1011	W Puma Park #11 - Replenish	531	-	3,716	8,633	20	13	7	1.229874
1013	Solmos Park #13 - Replenish	346	-	2,767	5,625	20	12	8	1.229874
1014	NW Front Park #14 - Replenish	185	1,000	2,039	3,015	20	9	11	1.229874
1015	S Encino Park #15 - Replenish	587	-	5,873	9,550	20	10	10	1.229874
1017	N Encino Park #17 - Replenish	587	-	5,873	9,550	20	10	10	1.229874
1018	Rambles Park #18 - Replenish	480	-	4,797	7,800	20	10	10	1.229874
1020	Comica Park #20 - Replenish	615	-	4,919	10,000	20	12	8	1.229874
1021	Cefiro Park #21 - Replenish	412	-	3,296	6,700	20	12	8	1.229874
1022	Squirrel Park #22 - Replenish	215	-	1,722	3,500	20	12	8	1.229874
1040	Wash - Clean Out	1,061	-	2,122	3,000	3	1	2	1.060900
		<b>86,172</b>	<b>32,026</b>	<b>786,171</b>	<b>1,343,568</b>				
<b>NOTE:</b>									
The following components have been removed or combined:									
#913 Gatehouse - Copier, #1117 Gatehouse Wood, #1025 Puma Wash 10B, and #1026 NE Front Park 14A									