

**The Springs at Santa Rita HOA
2025
Capital Reserve Fund Executive Summary & Report**

Living Document:

The reserve fund is a critical part of any HOA's financial health. The purpose of the Capital Reserve Fund is to provide sufficient funding for future repair and maintenance of assets such as common areas and facilities, thereby protecting our individual property value and the function and beauty of our community.

The management of our Capital Reserve Fund is a dynamic project. Therefore, we can think of it as a living document that needs to be adjusted annually based on estimated and actual costs and the forever fluctuating financial world. Changes are decided by committee, consulting with the Treasurer, Finance Oversight, Infrastructure, and Grounds Committee Chairs. The Reserve Committee reports to the Board of Directors. Over the last 20 years the Reserve Committee has made several changes.

We have just completed the 21th year of a 2005 "30-year Reserve Fund plan." This plan is now dynamically projected based on component Base Cost, Life Expectancy, and a 3% inflation factor. At the end of 2025 we were 40.3% funded on this plan which is considered a "fair" financial position within industry standards. However, all of the streets have been resurfaced and no further expenditures will happen in the next 15 years for resurfacing. "Percent funded" is the actual Capital Reserve balance of \$330,685.29 compared to the plan's projected goal of \$819,812 for the 21st year. The "percent funded" will oscillate based on yearly expenditures, but will continue an upward trend over time.

The streets remain our primary expense with a base cost of \$1,365,878.

It is essential that our calculations are as accurate as possible in order to project Capital Reserve Fund needs. Therefore, we have made the following changes:

The Capital Reserve Fund Committee met on September 11, 2024 to determine the contribution request for the 2025 budget in the amount of \$126,011.

HOA Capital Reserve Components Modifications In 2025

- | <u>Description</u> | <u>Base Cost</u> |
|---------------------------------------|---|
| • 206 Asphalt Street – Crack Fill | Changed base cost from \$45,000 to \$32,000 |
| • 208 Asphalt Street – Seal Coat | Changed life from 4 years to 3 years |
| • 1107 Metal Fences/Gate – Repaint | Changed base cost from \$40,000 to \$100,000 |
| • 1113 Frontage Stucco Walls - Repair | Changed Life from 7 years to 6 years |
| • 1114 Tower - Repair | Changed base cost from \$8,000 to \$4,000 |
| • 1115 Gatehouse/Wall Stucco – Repair | Changed Life from 5 years to 6 years |
| • 1402 Street Signs – Repair | Changed base cost from \$5,000 to \$3,000 |
| • 1116 Gatehouse/Wood | Changed to Signs- Replace |
| • 1500 Ult Trailer - Replace | Changed life from 6 years to 10 years |
| • 1510 ATV – Replace | Changed Life from 20 years to 10 years |
| • 1511 Mower – Replace | Changed Life from 15 years to 5 years |
| • 1520 Chipper – Replace | Changed to Trimmer replace |
| • 204 – Asphalt Paths – Patch/Repair | Changed life from 11 years to 5 years |
| • 1003 Blue Fox Park #3- Maintenance | Changed Nature Park – Patch/Repair |
| • Added New Component – AED – Replace | Changed base cost from \$9600 to \$20,000 |
| | Added base cost of \$2,000, added life of 8 years |

The Dynamic below shows changes in Bold:

Respectfully Submitted,
Sharon Toborg, Chair

HOA Capital Reserve Components			2025	Dynamic Projection				
#	Description			21st year				
Capital Assets	Common Area	Contrib	Spend	100% Goal	Base Cost	Life	R-L	U-L
103	Concrete - Repair	2,541	-	17,787	42,000	20	13	7
201	Asphalt Street - Replace/Repair	71,026	-	710,257	1,365,878	25	15	10
206	Asphalt Street - Crack Fill	8,240	-	8,240	32,000	4	3	1
208	Asphalt Street - Seal Coat	25,750	-	25,750	100,000	4	3	1
503	Metal Fences - Replace	243	-	8,012	6,100	50	17	33
601	Fountain Pump - Replace	182	545	545	500	3	-	3
703	Entry System - Replace	236	-	4,250	4,600	30	12	18
705	Gate Operators - Replace	339	-	6,098	6,600	30	12	18
912	Gatehouse Comp/Copy/Prntr - Replace	204	-	613	1,500	8	5	3
920	Gatehouse HVAC - Replace	203	-	3,045	2,800	20	5	15
1107	Metal Fences/Gates - Repaint	177	-	531	975	6	3	3
1113	Frontage Stucco Walls - Repair	687	-	687	4,000	6	5	1
1114	Tower - Repair	5,150	-	5,150	30,000	6	5	1
1115	Gatehouse/Wall Stucco - Repair	515	-	515	3,000	6	5	1
1116	Gatehouse Wood	384	-	2,301	3,250	10	4	6
1120	Maintenance Building - Refurbish	618	-	1,237	3,500	6	4	2
1304	Tile Roof - Repair	509	-	1,526	14,000	30	27	3
1402	Signs - Replace	545	-	1,635	5,000	10	7	3
1500	Utl Trailer - Replace	155	-	155	1,500	10	9	1
1510	ATV - Replace	2,060	-	2,060	10,000	5	4	1
1511	Trimmer - Replace	148	-	297	1,400	10	8	2
1520	Chipper - Replace	288	-	288	1,400	5	4	1
	AED - Replace	288	-	1,438	2,000	8	3	5
Parks & Landscape								
204	NatureTrail - Patch/ Repair	2,540	-	22,860	20,000	10	1	9
410	Fitness Equipment Nature Park - Refurbish	62	-	1,808	1,000	30	1	29
411	Fitness Equipment Park #21 - Refurbish	62	-	1,808	1,000	30	1	29
412	Wood Timbers Park #21 Cefiro - Replace	87	-	1,218	980	16	2	14
420	Furniture Park #13 Perry - Refurbish	62	-	1,808	1,000	30	1	29
1003	Blue Fox Park #3 - Maintenance	199	-	2,581	2,000	14	1	13
1040	Wash - Maintenance	1,272	3,815	3,815	3,500	3	-	3
1041	Granite Parks - Refurbish	1,240	-	9,920	50,000	50	42	8
		126,011	4,360	848,233	1,721,483			