

# The Springs at Santa Rita HOA 2024 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 20th 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 2023 we were 37.2% 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 \$255,939 compared to the plan’s projected goal of \$688,071 for the 20th 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 18, 2023 to determine the contribution request for the 2024 budget in the amount of \$113,416.

**HOA Capital Reserve Components Modifications In 2024**

<u>Description</u>	<u>Base Cost</u>
• 201 Asphalt Street-Replace/Repair	Aggregated 201A -201E \$1,365,878 Changed life to 25 years....
• 206 Asphalt Street – Crack Fill	Changed life from 2 years to 4 years
• 208 Asphalt Street – Seal Coat	Changed life from 5 years to 4 years
• 601 Fountain Pump	Changed base cost to \$500
• 703 Entry System	Changed life from 20 years to 30 years
• 1113 Frontage Stucco Walls - Repair	Changed base cost from \$4,000 to \$8,000
• 1114 Tower Stucco – Repair	Change to Tower Repair
• 1116 Gatehouse/Wood	Changed life from 7 years to 6 years
• 1402 Street Signs – Repair	Changed base cost to \$5,000. Changed life from 20
• years to 10 years	
• 204 – Asphalt Paths – Patch/Repair	Changed life from 20 years to 10 years
• 1003 Blue Fox Park #3- Maintenance	Changed life from 12 years to 14 years

The Dynamic below shows changes in RED:

HOA Capital Reserve Components			2024	Dynamic Projection				
#	Description			20th year				
Capital Assets	Common Area	Contrib	Spend	100% Goal	Base Cost	Life	R-L	U-L
103	Concrete - Repair	2,478	-	14,868	42,000	20	14	6
201	Asphalt Street - Replace/Repair	69,387	-	624,479	1,365,878	25	16	9
206	Asphalt Street - Crack Fill	11,925	-	23,850	45,000	4	2	2
208	Asphalt Street - Seal Coat	11,200	44,800	44,800	40,000	4	-	4
503	Metal Fences - Replace	239	-	7,652	6,100	50	18	32
601	Fountain Pump - Replace	177	-	353	500	3	1	2
703	Entry System - Replace	232	-	3,936	4,600	30	13	17
705	Gate Operators - Replace	332	-	5,647	6,600	30	13	17
912	Gatehouse Comp/Copy/Prntr - Replace	199	-	398	1,500	8	6	2
920	Gatehouse HVAC - Replace	199	-	2,783	2,800	20	6	14
1107	Metal Fences/Gates - Repaint	148	-	295	975	7	5	2
1113	Frontage Stucco Walls - Repair	1,573	9,440	9,440	8,000	6	-	6
1114	Tower Repair	6,540	9,000	19,620	30,000	5	2	3
1115	Gatehouse/Wall Stucco - Repair	983	5,900	5,900	5,000	6	-	6
1116	Gatehouse Wood	623	-	3,115	3,250	6	1	5
1120	Maintenance Building - Refurbish	601	-	601	3,500	6	5	1
1304	Tile Roof - Repair	495	-	989	14,000	30	28	2
1402	Street Signs - Repair	530	1,500	1,060	5,000	10	8	2
1500	Utl Trailer - Replace	116	-	2,079	1,500	20	2	18
1510	ATV - Replace	967	14,500	14,500	10,000	15	-	15
1511	Mower - Replace	169	-	1,186	1,400	10	3	7
1520	Chipper - Replace	169	1,862	1,862	1,400	11	-	11
Parks & Landscape							-	
204	Asphalt Paths - Patch/Repair	1,190	-	9,523	9,600	10	2	8
410	Fitness Equipment Nature Park - Refurbish	61	-	1,717	1,000	30	2	28
411	Fitness Equipment Park #21 - Refurbish	61	-	1,717	1,000	30	2	28
412	Wood Timbers Park #21 Cefiro - Replace	85	-	1,107	980	16	3	13
420	Furniture Park #13 Perry - Refurbish	61	-	1,717	1,000	30	2	28
1003	Blue Fox Park #3 - Maintenance	194	-	2,331	2,000	14	2	12
1040	Wash - Maintenance	1,272	3,815	3,815	3,500	3	-	3
1041	Granite Parks - Refurbish	1,210	-	8,470	50,000	50	43	7
		113,416	90,817	819,812	1,668,083			