

Executive Summary

Association: The Springs at Santa Rita HOA **Assoc. #:** 12303-0
Location: Green Valley, Arizona
of Units: 440
Report Period: January 1, 2005 through December 31, 2005

Results

Projected Starting Reserve Balance:	\$110,000
Fully Funded Reserve Balance:	\$229,391
Percent Funded:	48.0%
Recommended 2005 Annual Reserve Contribution:	\$40,000
Recommended Special Assessment:.....	\$0

Most Recent Reserve Contribution Rate:.....\$14,300

Economic Assumptions:

Net Annual “After Tax” Interest Earnings Accruing to Reserves..... 2.00%
Annual Inflation Rate 3.00%

- The information in this Reserve Study is based on our site inspection on August 13, 2004.
- Because your Reserve Fund is 48.0% Funded, this represents a fair financial position. However, a large funding increase is necessary to adequately prepare for long-term expenditures. In perspective, above 30% but below 70% Funded defines the fair funding range.
- Based on this starting point and your anticipated future expenses, our recommendation is to increase your Reserve contributions to \$40,000 for 2005.
- This contribution rate is programmed in the analysis to increase 5% annually to further strengthen Reserves and to help offset inflationary effects on future expenditures.
- Your multi-year Funding Plan is designed to gradually bring you to the 100% level, or “Fully Funded”.
- Reserve projects anticipated during 2005 include: replace the fountain pump; repaint the metal fences, gatehouse trim and wood; replenishing the granite at parks 13 & 21.

Table 1: Executive Summary

12303-0

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
COMMON AREA				
201 Asphalt - Resurface (Phase 1)	30	21	\$235,000	\$437,169
201 Asphalt - Resurface (Phase 2)	30	25	\$88,600	\$185,509
205 Asphalt - Seal/Repair	4	3	\$24,450	\$26,717
503 Metal Fences - Replace	24	15	\$2,505	\$3,903
601 Fountain Pump - Replace	8	0	\$1,200	\$1,520
703 Entry System - Replace	12	4	\$3,900	\$4,389
705 Gate Operators - Replace	12	3	\$6,600	\$7,212
912 Gatehouse Computer - Replace	4	3	\$1,500	\$1,639
913 Gatehouse Copier - Replace	10	5	\$650	\$754
920 Gatehouse HVAC - Replace	15	10	\$2,100	\$2,822
1107 Metal Fences - Repaint	4	0	\$945	\$1,064
1113 Stucco Walls - Repaint	6	3	\$4,125	\$4,507
1115 Gatehouse Stucco - Repaint	6	3	\$5,700	\$6,229
1116 Gatehouse Trim - Repaint	3	0	\$1,280	\$1,399
1117 Gatehouse Wood - Repaint	12	0	\$2,270	\$3,236
1120 Maintenance Building - Repaint	6	6	\$595	\$710
1301 Flat Roof - Replace	18	9	\$885	\$1,155
1304 Tile Roof - Repair	30	21	\$7,480	\$13,915
PARKS & LANDSCAPE				
410 Fitness Trail - Replace (The Park)	30	21	\$9,140	\$17,003
411 Fitness Trail - Replace (Park #21)	30	21	\$9,140	\$17,003
412 Wood Timbers - Replace	15	6	\$610	\$728
420 Park Furniture - Replace	30	21	\$7,750	\$14,417
1004 Granite (Park #4) - Replenish	10	4	\$4,500	\$5,065
1006 Granite (Park #6) - Replenish	10	8	\$11,070	\$14,023
1007 Granite (Park #7) - Replenish	10	4	\$12,150	\$13,675
1008 Granite (Park #8) - Replenish	10	6	\$15,225	\$18,179
1009 Granite (Park #9) - Replenish	10	5	\$23,175	\$26,866
1010 Granite (Park #10) - Replenish	10	2	\$36,900	\$39,147
1011 Granite (Park #11) - Replenish	10	4	\$36,900	\$41,531
1013 Granite (Park #13) - Replenish	10	0	\$5,625	\$7,560
1014 Granite (Park #14) - Replenish	10	9	\$3,015	\$3,934
1020 Granite (Park #20) - Replenish	10	1	\$10,350	\$10,661
1021 Granite (Park #21) - Replenish	10	0	\$8,370	\$11,249
1040 Wash - Clean Out	2	1	\$3,000	\$3,090
34 Total Funded Components				