



“Your Future is Our Business”

## Assessment and Reserve Funding Disclosure Summary

per California Civil Code section 5570 for the calendar year 1/1/2019 through 12/31/2019

### CONDOMINIUM HOMEOWNERS ASSOCIATION -16 UNITS (SAMPLE ONLY)

- 1) The current regular assessment is \$295.00 per ownership interest per month and the portion allocated to reserves is \$67.59 per ownership interest per month (note: if assessments vary by the size or type of ownership interest, the assessments listed above are averages, and the assessment applicable to this ownership interest may be found on a separate “variable” schedule attached).
- 2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members (note: if assessments vary by the size or type of ownership interest, the assessments listed below are averages, and the assessment applicable to this ownership interest may be found on a separate “variable” schedule attached).

DATE ASSESSMENT WILL BE DUE	PURPOSE	AMOUNT PER OWNERSHIP INTEREST
Total:		\$0.00

- 3) Based upon the most recent Reserve Study and other information available to the board of directors, will currently projected reserve account balances be sufficient at the end of each year to meet the association's obligation for repair and/or replacement of major components during the next 30 years? Yes  X , provided the funding plan attached, based on the most recently completed Reserve Study Update (February 12, 2018 for the 1/1/2019 calendar year), is followed and updated on an annual basis.
- 4) If the answer to #3 is no, what additional assessments or other contributions to reserves would be necessary to ensure that sufficient reserve funds will be available each year during the next 30 years that have not been approved by the board or the members?

APPROXIMATE DATE ASSESSMENT WILL BE DUE	DESCRIPTION	AMOUNT PER OWNERSHIP INTEREST
	N/A	
Total:		\$0.00

- 5) All major components are included in the Reserve Study and are included in its calculations.
- 6) Based on the method of calculation in paragraph (4) of subdivision (b) of section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of the fiscal year is \$17,384 based in whole or in part on the last Reserve Study Update prepared by Reserve Studies Incorporated as of February 12, 2018 for the 1/1/2019 calendar year. The projected reserve fund cash balance at the end of the fiscal year is \$30,583, resulting in reserves being 31.17% funded at this date.



“Your Future is Our Business”

7) Based on the method of calculation in paragraph (4) of subdivision (b) of section 5570 of the Civil Code, at the end of each of the next five budget years the estimated amount required in the reserve fund, the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, and the percent funded is as follows:

YEAR	ESTIMATED AMOUNT REQUIRED IN THE RESERVE FUND	PROJECTED RESERVE FUND CASH BALANCE	PERCENT FUNDED
12/31/2019	17,384	30,583	31.17%
12/31/2020	26,288	39,708	37.79%
12/31/2021	36,040	49,155	50.04%
12/31/2022	48,082	58,937	58.31%
12/31/2023	9,328	20,834	63.10%

If the reserve funding plan approved by the association is implemented, the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, and the percent funded is as follows:

YEAR	ESTIMATED AMOUNT REQUIRED IN THE RESERVE FUND	PROJECTED RESERVE FUND CASH BALANCE	PERCENT FUNDED
12/31/2019	17,384	30,583	31.17%
12/31/2020	26,288	39,708	37.79%
12/31/2021	36,040	49,155	50.04%
12/31/2022	48,082	58,937	58.31%
12/31/2023	9,328	20,834	63.10%

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 1.00% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 1.69% per year. **It has been assumed that a reserve funding plan has been adopted by the board of directors at an open meeting before the membership of the association as described in California Civil Code Section 5560 (a).**

For the purposes of preparing a summary pursuant to this section:

- 1) "Estimated remaining useful life" means the time reasonably calculated to remain before a major component will require replacement.
- 2) "Major component" has the meaning used in Section 5550. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the Reserve Study and reported in the Assessment and Reserve Funding Disclosure Summary.
- 3) The form set out in subdivision (a) shall accompany each pro forma operating budget or summary thereof that is delivered pursuant to this article. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in subdivision (a) is provided.



“Your Future is Our Business”

- 4) For the purpose of the report and summary, the amount of reserves needed to be accumulated for a component at a given time shall be computed as the current cost of replacement or repair multiplied by the number of years the component has been in service divided by the useful life of the component. This shall not be construed to require the board to fund reserves in accordance with this calculation.

PREPARED BY: Les Weinberg, RS, MBA – Reserve Studies Incorporated

FOR THE CALENDAR YEAR BEGINNING 1/1/2019

DATE: March 2, 2018

**FUNDING PLAN FOR ASSESSMENT AND RESERVE FUNDING DISCLOSURE SUMMARY  
CONDOMINIUM HOMEOWNERS ASSOCIATION (SAMPLE ONLY)**

DESCRIPTION	1/1/2019	1/1/2020	1/1/2021	1/1/2022	1/1/2023	1/1/2024	1/1/2025	1/1/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030	1/1/2031	1/1/2032	1/1/2033
ASSESSMENTS-regular	8,652	8,912	9,179	9,454	9,738	10,030	10,331	10,641	10,960	11,289	11,628	11,976	12,336	12,706	13,087
ASSESSMENTS-special	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST INCOME (a)	158	213	269	327	241	157	220	285	352	262	174	247	322	400	308
COMPONENT COSTS (b)	0	0	0	0	(48,082)	0	0	0	0	(52,534)	0	0	0	0	(56,986)
NET RCPTS/(DISBURSE)	8,810	9,124	9,448	9,781	(38,102)	10,187	10,551	10,926	11,312	(40,983)	11,801	12,223	12,658	13,106	(43,591)
CASH BALANCE: begin yr	21,773	30,583	39,708	49,155	58,937	20,834	31,021	41,572	52,498	63,810	22,827	34,628	46,851	59,509	72,614
CASH BALANCE: end of yr	30,583	39,708	49,155	58,937	20,834	31,021	41,572	52,498	63,810	22,827	34,628	46,851	59,509	72,614	29,023
ESTIMATED LIABILITY (c)	8,480	17,384	26,288	36,040	48,082	9,328	19,080	28,832	39,432	52,534	10,176	20,776	31,376	42,824	56,986
less: beginning cash bal	21,773	30,583	39,708	49,155	58,937	20,834	31,021	41,572	52,498	63,810	22,827	34,628	46,851	59,509	72,614
over/(under) funded-total	13,293	13,199	13,420	13,115	10,855	11,506	11,941	12,740	13,066	11,276	12,651	13,852	15,475	16,685	15,629
" " " per unit	831	825	839	820	678	719	746	796	817	705	791	866	967	1,043	977

DESCRIPTION	1/1/2034	1/1/2035	1/1/2036	1/1/2037	1/1/2038	1/1/2039	1/1/2040	1/1/2041	1/1/2042	1/1/2043	1/1/2044	1/1/2045	1/1/2046	1/1/2047	1/1/2048
ASSESSMENTS-regular	13,480	13,884	14,300	14,729	15,171	15,626	16,095	16,578	17,075	17,588	18,115	18,659	19,219	19,795	20,389
ASSESSMENTS-special	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST INCOME (a)	217	301	389	479	386	296	394	495	601	509	421	535	653	776	682
COMPONENT COSTS (b)	0	0	0	0	(61,438)	0	0	0	0	(65,890)	0	0	0	0	(72,568)
NET RCPTS/(DISBURSE)	13,697	14,185	14,689	15,209	(45,880)	15,922	16,489	17,074	17,676	(47,792)	18,536	19,194	19,872	20,571	(51,496)
CASH BALANCE: begin yr	29,023	42,720	56,905	71,594	86,803	40,923	56,846	73,335	90,408	108,085	60,292	78,828	98,022	117,894	138,465
CASH BALANCE: end of yr	42,720	56,905	71,594	86,803	40,923	56,846	73,335	90,408	108,085	60,292	78,828	98,022	117,894	138,465	86,969
ESTIMATED LIABILITY (c)	11,024	22,472	33,920	46,216	61,438	11,872	24,168	36,464	49,608	65,890	12,720	26,288	39,856	54,272	72,568
less: beginning cash bal	29,023	42,720	56,905	71,594	86,803	40,923	56,846	73,335	90,408	108,085	60,292	78,828	98,022	117,894	138,465
over/(under) funded-total	17,999	20,248	22,985	25,378	25,366	29,051	32,678	36,871	40,800	42,195	47,572	52,540	58,166	63,622	65,898
" " " per unit	1,125	1,265	1,437	1,586	1,585	1,816	2,042	2,304	2,550	2,637	2,973	3,284	3,635	3,976	4,119

FOOTNOTES: (a) Interest income calculated on average balance less Federal & State income taxes of 39.3% Rate: 1.0000%  
(b) See "Reserve Expenditures By Year Schedule"  
(c) See "Component Liability Analysis"