



“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

### PLANNED UNIT DEVELOPMENT HOMEOWNERS ASSOCIATION - 69 UNITS (SAMPLE ONLY)

- 1) The current regular assessment is \$132.00 per ownership interest per month and the portion allocated to reserves is \$29.03 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



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the 1/1/2019 calendar year. The projected reserve fund cash balance at the end of the fiscal year is \$200,268, resulting in reserves being 92.67% funded at this date.

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	216,044	200,203	92.67%
12/31/2020	216,854	197,541	91.09%
12/31/2021	250,072	227,268	90.88%
12/31/2022	282,793	255,860	90.48%
12/31/2023	292,812	263,843	90.11%

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	216,044	200,203	92.67%
12/31/2020	216,854	197,541	91.09%
12/31/2021	250,072	227,268	90.88%
12/31/2022	282,793	255,860	90.48%
12/31/2023	292,812	263,843	90.11%

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.



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- 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.
- 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  
 PLANNED UNIT DEVELOPMENT HOMEOWNERS ASSOCIATION - 69 UNITS (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	24,040	25,554	27,164	28,875	30,695	32,628	34,684	36,869	39,192	41,661	44,286	47,076	47,735	48,403	49,080
ASSESSMENTS-special	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST INCOME (a)	2,269	2,400	2,563	2,915	3,136	3,388	3,785	4,227	4,740	5,108	5,495	3,403	1,321	1,921	2,328
COMPONENT COSTS (b)	(1,943)	(30,616)	0	(3,198)	(25,847)	(2,235)	(6,338)	0	0	(29,743)	(2,573)	(444,527)	0	0	(34,228)
NET RCPTS/(DISBURSE)	24,366	(2,662)	29,727	28,592	7,983	33,780	32,131	41,096	43,932	17,025	47,208	(394,049)	49,056	50,324	17,181
CASH BALANCE: begin yr	175,837	200,203	197,541	227,268	255,860	263,843	297,624	329,755	370,851	414,783	431,809	479,017	84,968	134,024	184,348
CASH BALANCE: end of yr	200,203	197,541	227,268	255,860	263,843	297,624	329,755	370,851	414,783	431,809	479,017	84,968	134,024	184,348	201,528
ESTIMATED LIABILITY (c)	185,870	216,044	216,854	250,072	282,793	292,812	328,411	361,331	402,567	447,275	462,276	527,628	120,091	159,121	201,906
less: beginning cash bal	175,837	200,203	197,541	227,268	255,860	263,843	297,624	329,755	370,851	414,783	431,809	479,017	84,968	134,024	184,348
over/(under) funded-total	(10,033)	(15,841)	(19,313)	(22,804)	(26,933)	(28,969)	(30,787)	(31,576)	(31,716)	(32,492)	(30,467)	(48,611)	(35,123)	(25,097)	(17,558)
" " " per unit	(145)	(230)	(280)	(330)	(390)	(420)	(446)	(458)	(460)	(471)	(442)	(705)	(509)	(364)	(254)

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	49,768	50,464	51,171	51,887	52,614	53,350	54,097	54,855	55,622	56,401	57,191	57,991	58,803	59,627	60,461
ASSESSMENTS-special	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
INTEREST INCOME (a)	2,703	3,289	3,934	4,608	5,059	5,504	5,000	4,521	5,246	5,715	6,175	6,925	7,680	8,454	8,969
COMPONENT COSTS (b)	(7,442)	(1,808)	0	0	(39,388)	(3,407)	(197,989)	0	0	(45,324)	(3,921)	0	(6,279)	0	(52,155)
NET RCPTS/(DISBURSE)	45,029	51,945	55,105	56,495	18,285	55,447	(138,892)	59,375	60,869	16,792	59,445	64,916	60,204	68,080	17,276
CASH BALANCE: begin yr	201,528	246,557	298,502	353,607	410,102	428,387	483,834	344,942	404,318	465,186	481,978	541,422	606,339	666,543	734,623
CASH BALANCE: end of yr	246,557	298,502	353,607	410,102	428,387	483,834	344,942	404,318	465,186	481,978	541,422	606,339	666,543	734,623	751,899
ESTIMATED LIABILITY (c)	210,472	247,638	292,675	341,987	395,746	410,013	472,194	327,862	384,354	445,954	462,105	522,534	590,472	655,093	732,042
less: beginning cash bal	201,528	246,557	298,502	353,607	410,102	428,387	483,834	344,942	404,318	465,186	481,978	541,422	606,339	666,543	734,623
over/(under) funded-total	(8,944)	(1,081)	5,827	11,620	14,357	18,374	11,640	17,080	19,964	19,232	19,873	18,888	15,867	11,450	2,582
" " " per unit	(130)	(16)	84	168	208	266	169	248	289	279	288	274	230	166	37

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"