



“Your Future is Our Business”

Assessment and Reserve Funding Disclosure Summary

per California Civil Code section 5570 for the calendar year 1/1/2021 through 12/31/2021

CONDOMINIUM HOMEOWNERS ASSOCIATION (SAMPLE ONLY)

- 1) The current regular assessment is \$369.33 per ownership interest per month and the portion allocated to reserves is \$75.00 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? No X , see the funding plan attached, based on the most recently completed Reserve Study Update (February 1, 2020 for the 1/1/2021 calendar year).
- 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
1/1/2028	To fund reserves above \$0.00	2,633.33
1/1/2030		183.33
1/1/2033		7,266.67
1/1/2037		1,466.67
1/1/2040		50.00
1/1/2041		2,816.67
1/1/2042		833.33
1/1/2043		1,250.00
1/1/2045		2,300.00



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1/1/2047		1,666.67
1/1/2048		383.33
Total:		\$20,850.00

- 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 \$70,205 based in whole or in part on the last Reserve Study Update prepared by Reserve Studies Incorporated as of February 1, 2020 for the 1/1/2021 calendar year. The projected reserve fund cash balance at the end of the fiscal year is \$15,955, resulting in reserves being 22.73% funded at this date.
- 7) Based on the method of calculation in paragraph (4) of subdivision (b) of section 5570 of the Civil Code (i.e. **Funding Plan #3 per the study**), 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
12/31/2021	70,205	15,955	22.73%
12/31/2022	80,065	25,785	32.20%
12/31/2023	82,649	29,825	36.09%
12/31/2024	80,627	32,010	39.70%
12/31/2025	88,349	43,783	49.56%

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 including additional assessments detailed in #4 above, and the percent funded is as follows:

YEAR	ESTIMATED AMOUNT REQUIRED IN THE RESERVE FUND	PROJECTED RESERVE FUND CASH BALANCE	PERCENT FUNDED
12/31/2021	70,205	14,111	20.10%
12/31/2022	80,065	19,613	24.50%
12/31/2023	82,649	15,985	19.34%
12/31/2024	80,627	10,455	12.97%
12/31/2025	88,349	14,467	16.37%

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 1.77% 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).**



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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.
- 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 1/1/2021

DATE: February 5, 2020

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

DESCRIPTION	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	1/1/2034	1/1/2035
RESERVE CONTRIBUTION	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400
SPECIAL ASSESSMENT	0	0	0	0	0	0	0	15,800	0	1,100	0	0	43,600	0	0
INTEREST INCOME (a)	114	102	108	80	75	104	79	18	16	17	17	50	33	17	44
COMPONENT COSTS (b)	(14,805)	0	(9,135)	(11,010)	(1,464)	0	(19,421)	(27,245)	0	(11,865)	0	0	(59,939)	0	(1,744)
NET RECEIPTS/(DISBURSE)	(9,291)	5,502	(3,627)	(5,530)	4,012	5,504	(13,942)	(6,027)	5,416	(5,348)	5,417	5,450	(10,906)	5,417	3,700
CASH BALANCE: begin year	23,402	14,111	19,613	15,985	10,455	14,467	19,971	6,029	2	5,418	70	5,486	10,936	30	5,447
CASH BALANCE: end year	14,111	19,613	15,985	10,455	14,467	19,971	6,029	2	5,418	70	5,486	10,936	30	5,447	9,147
COMPONENT ACCUMULATED DEPRECIATION (c)	76,272	70,205	80,065	82,649	80,627	88,349	98,762	90,107	72,182	82,377	80,261	90,328	103,584	53,378	63,523
less: beginning cash balance	23,402	14,111	19,613	15,985	10,455	14,467	19,971	6,029	2	5,418	70	5,486	10,936	30	5,447
over/(under) funded-total	(52,870)	(56,094)	(60,452)	(66,664)	(70,172)	(73,882)	(78,791)	(84,079)	(72,180)	(76,959)	(80,191)	(84,842)	(92,648)	(53,348)	(58,076)
" " " per unit	(8,812)	(9,349)	(10,075)	(11,111)	(11,695)	(12,314)	(13,132)	(14,013)	(12,030)	(12,827)	(13,365)	(14,140)	(15,441)	(8,891)	(9,679)

DESCRIPTION	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	1/1/2049	1/1/2050
RESERVE CONTRIBUTION	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400	5,400
SPECIAL ASSESSMENT	0	8,800	0	0	300	16,900	5,000	7,500	0	13,800	0	10,000	2,300	0	0
INTEREST INCOME (a)	55	27	15	22	8	0	0	0	17	17	17	17	0	16	20
COMPONENT COSTS (b)	(5,599)	(23,147)	(708)	(7,701)	(8,133)	(22,372)	(10,317)	(12,976)	0	(24,630)	0	(20,792)	(7,752)	0	(9,696)
NET RECEIPTS/(DISBURSE)	(144)	(8,920)	4,707	(2,279)	(2,425)	(72)	83	(76)	5,417	(5,413)	5,417	(5,375)	(52)	5,416	(4,276)
CASH BALANCE: begin year	9,147	9,003	83	4,790	2,512	86	14	97	22	5,438	25	5,441	66	14	5,431
CASH BALANCE: end year	9,003	83	4,790	2,512	86	14	97	22	5,438	25	5,441	66	14	5,431	1,155
COMPONENT ACCUMULATED DEPRECIATION (c)	72,418	78,545	66,024	76,620	80,478	84,822	74,353	76,278	75,101	88,470	76,028	89,616	81,865	87,081	100,947
less: beginning cash balance	9,147	9,003	83	4,790	2,512	86	14	97	22	5,438	25	5,441	66	14	5,431
over/(under) funded-total	(63,271)	(69,542)	(65,940)	(71,829)	(77,967)	(84,736)	(74,339)	(76,181)	(75,079)	(83,032)	(76,003)	(84,175)	(81,799)	(87,067)	(95,516)
" " " per unit	(10,545)	(11,590)	(10,990)	(11,972)	(12,994)	(14,123)	(12,390)	(12,697)	(12,513)	(13,839)	(12,667)	(14,029)	(13,633)	(14,511)	(15,919)

FOOTNOTES:

- (a) Interest income calculated on average balance less Federal & State income taxes of 39.3%
- (b) See "Reserve Expenditures By Year Schedule"
- (c) See "Component Accumulated Depreciation Analysis"

Rate: 1.0000%