



“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

PLANNED UNIT DEVELOPMENT HOMEOWNERS ASSOCIATION (SAMPLE ONLY)

- 1) The current regular assessment is \$634.75 per ownership interest per month and the portion allocated to reserves is \$55.94 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
1/1/2031	To fund reserves above \$0.00	1,118.53
1/1/2032		209.44
1/1/2033		232.87
1/1/2034		550.35
1/1/2035		216.78
1/1/2036		1,391.26
1/1/2038		402.10
1/1/2039		3,209.27
1/1/2040		344.76



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1/1/2041		2,474.65
1/1/2042		160.49
1/1/2043		147.90
1/1/2044		787.41
1/1/2045		584.27
1/1/2046		1,816.08
1/1/2047		2,003.50
1/1/2048		534.97
1/1/2049		1,911.54
1/1/2050		14,320.98
Total:		\$32,417.13

- 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 \$3,232,791 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 \$3,973,177, resulting in reserves being 122.90% 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	3,232,791	3,973,177	122.90%
12/31/2022	3,271,435	3,793,251	115.95%
12/31/2023	3,512,883	3,821,687	108.79%
12/31/2024	3,806,450	3,802,924	99.91%
12/31/2025	1,646,401	1,483,569	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 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	3,232,791	3,925,145	121.42%
12/31/2022	3,271,435	3,678,306	112.44%
12/31/2023	3,512,883	3,619,454	103.03%



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12/31/2024	3,806,450	3,491,417	91.72%
12/31/2025	1,646,401	1,039,065	63.11%

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 0.12% 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).**

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
 PLANNED UNIT DEVELOPMENT 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	191,986	191,986	191,986	191,986	191,986	191,986	191,986	191,986	191,986	191,986	191,986	191,986	191,986	191,986	191,986
SPECIAL ASSESSMENT	0	0	0	0	0	0	0	0	0	0	319,900	59,900	66,600	157,400	62,000
INTEREST INCOME (a)	3,064	2,768	2,657	2,589	1,649	643	520	491	337	153	52	0	0	0	0
COMPONENT COSTS (b)	(760,830)	(441,593)	(253,495)	(322,611)	(2,645,987)	(504,185)	(219,661)	(245,214)	(561,757)	(328,172)	(654,024)	(251,898)	(258,558)	(349,461)	(253,969)
NET RECEIPTS/(DISBURSE)	(565,780)	(246,839)	(58,852)	(128,037)	(2,452,352)	(311,556)	(27,155)	(52,737)	(369,434)	(136,033)	(142,086)	(12)	28	(75)	17
CASH BALANCE: begin year	4,490,925	3,925,145	3,678,306	3,619,454	3,491,417	1,039,065	727,510	700,355	647,618	278,183	142,150	64	52	80	5
CASH BALANCE: end year	3,925,145	3,678,306	3,619,454	3,491,417	1,039,065	727,510	700,355	647,618	278,183	142,150	64	52	80	5	22
COMPONENT ACCUMULATED DEPRECIATION (c)	3,512,414	3,232,791	3,271,435	3,512,883	3,806,450	1,646,401	1,622,093	1,896,082	2,172,074	2,127,923	2,344,615	2,222,884	2,517,252	2,823,206	3,046,510
less: beginning cash balance	4,490,925	3,925,145	3,678,306	3,619,454	3,491,417	1,039,065	727,510	700,355	647,618	278,183	142,150	64	52	80	5
over/(under) funded-total	978,511	692,354	406,871	106,570	(315,033)	(607,335)	(894,583)	(1,195,727)	(1,524,457)	(1,849,740)	(2,202,465)	(2,222,820)	(2,517,200)	(2,823,126)	(3,046,505)
" " " per unit	3,421	2,421	1,423	373	(1,102)	(2,124)	(3,128)	(4,181)	(5,330)	(6,468)	(7,701)	(7,772)	(8,801)	(9,871)	(10,652)

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	191,986	191,986	191,986	191,986	191,986	191,986	191,986	191,986	191,986	191,986	191,986	191,986	191,986	191,986	191,986
SPECIAL ASSESSMENT	397,900	0	115,000	917,850	98,600	707,750	45,900	42,300	225,200	167,100	519,400	573,000	153,000	546,700	4,095,800
INTEREST INCOME (a)	0	8	8	0	0	0	0	0	0	0	0	0	0	0	0
COMPONENT COSTS (b)	(589,882)	(170,098)	(328,877)	(1,109,827)	(290,584)	(899,738)	(237,904)	(234,235)	(417,190)	(359,067)	(711,399)	(765,001)	(344,997)	(738,682)	(4,287,761)
NET RECEIPTS/(DISBURSE)	4	21,896	(21,883)	9	2	(2)	(18)	51	(4)	19	(13)	(14)	(11)	4	25
CASH BALANCE: begin year	22	27	21,923	40	50	51	50	32	83	79	98	85	70	59	63
CASH BALANCE: end year	27	21,923	40	50	51	50	32	83	79	98	85	70	59	63	88
COMPONENT ACCUMULATED DEPRECIATION (c)	3,396,103	3,399,331	3,846,876	4,187,584	3,710,345	4,097,408	3,850,033	4,281,995	4,744,584	5,037,103	5,421,635	5,468,051	5,452,034	5,893,417	6,122,651
less: beginning cash balance	22	27	21,923	40	50	51	50	32	83	79	98	85	70	59	63
over/(under) funded-total	(3,396,080)	(3,399,304)	(3,824,953)	(4,187,544)	(3,710,296)	(4,097,356)	(3,849,983)	(4,281,963)	(4,744,501)	(5,037,024)	(5,421,537)	(5,467,966)	(5,451,964)	(5,893,358)	(6,122,588)
" " " per unit	(11,874)	(11,886)	(13,374)	(14,642)	(12,973)	(14,326)	(13,461)	(14,972)	(16,589)	(17,612)	(18,956)	(19,119)	(19,063)	(20,606)	(21,408)

FOOTNOTES: (a) Interest income calculated on average balance less Federal & State income taxes of 39.3% Rate: 0.1200%
 (b) See "Reserve Expenditures By Year Schedule"
 (c) See "Component Accumulated Depreciation Analysis"