

# Kingswood Village Property Owners Association

## Assessment and Reserve Funding Disclosure Summary for the Fiscal Year Ending September 30, 2021

The following is a summary of the disclosures specified by California Code Section 5570 as it applies to the Association. This disclosure is the representation of management and the Board of Directors. The fiscal 2021 Proforma Operating Statement required by California Code Section 5300 will be prepared by the Association's CPA and will be available by the start of the new fiscal year, October 1, 2020.

1. The current assessment per unit is \$369.60 per month. If assessments vary by size or type of unit, the assessment applicable to the various units may be found on page...N/A (assessments do not vary).
2. Additional 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:

<u>Date Due</u>	<u>PUPM (a)</u>	<u>Purpose</u>
October 1, 2020	\$443.52	Operating, Reserve & Capital Imprvmnt Funding

(a) PUPM – per unit per month. If variable, see attached schedule at page....N/A (not variable).

3. Based on the most recent reserve study (May, 2020) 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  No This answer is based on the reserve study prepared by the Board of Directors and management during May, 2020. The reasonableness of the reserve funding plan is dependent upon the data contained in the reserve study, including the completeness of the major component list, and the accuracy of the estimated quantity, useful and remaining lives, and replacement costs of those components. It is also dependent on certain significant assumptions including, but not limited to an average interest rate before tax of 1.5 percent per year, an average inflation factor of 2.5 percent per year, and the approval of regular and/or special assessments by the Board of Directors and/or owners during the 30 year projection period.

4. If the answer to #3 above 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?....N/A

<u>Year</u>	<u>Total Amount</u>	<u>Description</u>

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, the estimated amount required in the reserve fund at the end of the current fiscal year (Sept, 2020) is \$2,156,000 based in whole or in part on the last reserve study or update prepared by management as of May, 2020. The projected reserve fund cash balance at the end of the current fiscal year is \$1,456,000 resulting in reserves being 67 percent funded at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$ -N/A-. (An alternative method is not used.) .
7. Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Code, the estimated amounts required to be in the reserve fund, the projected reserve fund cash balances (taking into account only assessments already approved and other known revenues) and the resulting funding percentages for each of the next five budget (fiscal) years are as follows:

<u>Fiscal Year</u>	<u>Est. Reqr'd Reserves</u>	<u>Cash Reserves- Planned Assmnts</u>	<u>Assmnt PUPM*</u>	<u>Percent Funded</u>
2022	\$1,855,000	\$1,314,000	\$ 84	70%
2023	\$1,933,000	\$1,459,000	\$ 84	75%
2024	\$1,889,000	\$1,478,000	\$ 84	78%
2025	\$1,973,000	\$1,617,000	\$ 82	81%
2026	\$1,857,000	\$1,554,000	\$ 84	83%

\*There are no other known projected revenues. The reserve funding plan consists of per unit per month assessments as shown.

*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.*

For purposes of preparing a summary pursuant to this California Code Section 5570:

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 report and reported in the Assessment and Reserve Funding Disclosure Summary.

3. The form set out in subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to Section 5300. 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.