

# RESERVE FUNDING DISCLOSURE REPORT (CA CIVIL CODE §5570)



## Summerfield HOA

Units: 173

Start Date: 07/01/2019

### Project Description

Property Name: Summerfield HOA  
 City and State: Poway, CA  
 Type of Project: Privately Owned Homes  
 Number of Units: 173

### Financial Summary

Starting Reserve Balance: \$115,000  
 Fully Funded Reserve Balance: \$152,824  
 Deficit/Surplus vs. Fully Funded Reserve: (\$37,824)  
 or (\$218.64) Per Unit Avg  
 Percent Funded: 75%  
 Current Replacement Cost: \$236,986

### Component Summary by Category

	UL	RUL	Current Replacement Cost	Accumulated Reserve Balance	Annual Fully Funded Requirement	Fully Funded Reserve Balance	Annual Reserve Contribution
Asphalt & Concrete Surfaces	5-30	4-29	\$39,599	\$11,725	\$2,476	\$15,582	\$2,468
Fencing, Rails & Walls	13-50	0-23	\$64,977	\$36,811	\$2,805	\$48,919	\$2,797
Landscaping	3-18	1-14	\$13,490	\$6,408	\$1,944	\$8,516	\$1,938
Lighting	20-30	6-12	\$9,700	\$4,906	\$375	\$6,520	\$374
Painting	4-8	1-1	\$4,978	\$2,951	\$1,056	\$3,922	\$1,053
Pool Area	6-25	0-15	\$99,402	\$50,608	\$7,811	\$67,254	\$7,787
Roofing	15-20	6-19	\$4,840	\$1,589	\$299	\$2,112	\$298
<b>Totals</b>			<b>\$236,986</b>	<b>\$115,000</b>	<b>\$16,766</b>	<b>\$152,824</b>	<b>\$16,715</b>

### Adopted Funding Plan

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
2019	\$16,715	\$8.05	\$5,585	\$126,733	\$168,926	75%
2020	\$17,216	\$8.29	\$61,234	\$83,239	\$128,710	65%
2021	\$17,733	\$8.54	\$1,963	\$99,465	\$148,871	67%
2022	\$18,265	\$8.80	\$3,752	\$114,511	\$168,343	68%
2023	\$18,813	\$9.06	\$18,059	\$115,840	\$174,229	66%
2024	\$19,377	\$9.33	\$18,052	\$117,747	\$180,882	65%
2025	\$19,959	\$9.61	\$64,096	\$74,089	\$140,911	53%
2026	\$20,557	\$9.90	\$24,106	\$70,902	\$141,548	50%
2027	\$21,174	\$10.20	\$22,650	\$69,777	\$144,342	48%
2028	\$21,809	\$10.51	\$16,198	\$75,752	\$154,521	49%
2029	\$22,464	\$10.82	\$40,721	\$57,828	\$140,423	41%
2030	\$23,137	\$11.15	\$11,932	\$69,350	\$156,250	44%
2031	\$23,832	\$11.48	\$10,479	\$83,083	\$174,766	48%
2032	\$24,547	\$11.82	\$63,358	\$44,589	\$140,110	32%
2033	\$25,283	\$12.18	\$9,947	\$60,187	\$160,190	38%
2034	\$26,041	\$12.54	\$16,896	\$69,656	\$174,497	40%
2035	\$26,823	\$12.92	\$19,610	\$77,235	\$187,247	41%
2036	\$27,627	\$13.31	\$15,831	\$89,447	\$205,101	44%
2037	\$28,456	\$13.71	\$5,846	\$112,561	\$234,633	48%
2038	\$29,310	\$14.12	\$36,797	\$105,617	\$234,052	45%
2039	\$30,189	\$14.54	\$17,230	\$119,136	\$254,517	47%
2040	\$31,095	\$14.98	\$54,475	\$96,294	\$238,169	40%
2041	\$32,028	\$15.43	\$22,897	\$105,928	\$254,819	42%
2042	\$32,988	\$15.89	\$13,815	\$125,679	\$282,317	45%
2043	\$33,978	\$16.37	\$19,283	\$141,039	\$306,030	46%
2044	\$34,997	\$16.86	\$130,966	\$45,536	\$216,474	21%

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
2045	\$36,047	\$17.36	\$0	\$81,901	\$260,211	31%
2046	\$37,129	\$17.88	\$37,540	\$81,899	\$267,711	31%
2047	\$38,243	\$18.42	\$9,152	\$111,472	\$305,827	36%
2048	\$39,390	\$18.97	\$65,015	\$86,340	\$288,732	30%

## Assessment and Reserve Funding Disclosure

1. The current average regular Assessment per ownership interest is: **\$26.67** per month.

Note: if Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages to be provided by Board or Management.

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:

Date Assessment is Due	Average Amount Per Unit	Purpose Of Assessment
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Note: if Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages, to be provided by Board or Management.

3. Based on 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	NO
X	

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?

Approximate date assessment will be due	Amount of Assessment	Amount Per Unit
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Note: Indicates the first year of a deficit based on the Adopted Funding Plan. The additional assessment amount indicates what will be required in that year to assure the reserve balance for the remaining years of the report will be above zero. Actual assessments may vary from year to year.

5. All major components are included in the reserve study and are included in its calculations (Note below the status of components with a 30+ yr. remaining life).

Component Name	Status
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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 is \$152,824, based in whole or in part on the last reserve study or update prepared by Barrera & Company, Inc. as of 2019-04-25. The projected reserve fund cash Balance at the end of the current fiscal year is \$115,000, resulting in reserves being 75% at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$ N/A.

7. 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 each of the next 5 budget years is \$ (column E), and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is \$ (column D), leaving the reserve at (column F) percent funding. Please see the projected five year funding plan below that has been implemented and approved by the association.

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
A	B	C	D	E	F	
2019	\$16,715	\$8.05	\$5,585	\$126,733	\$168,926	75%
2020	\$17,216	\$8.29	\$61,234	\$83,239	\$128,710	65%
2021	\$17,733	\$8.54	\$1,963	\$99,465	\$148,871	67%
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2023	\$18,813	\$9.06	\$18,059	\$115,840	\$174,229	66%

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 interest rate earned on reserve funds was 0.50% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3.00% per year.

The preparer of this form will be indemnified and held harmless against all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which has been relied upon by others, or which may result from any improper use or reliance on the disclosure by you or a third party.

The reserve study report completed and reviewed for the purposes of completing the enclosed summary was finalized based on approval from the Board of Directors. Therefore, the final decisions for implementation, updating or revising the information obtained in this report, for any changes in assumptions, is the sole right and responsibility of the Board of Directors. This report and the numbers generated herein are for use only for the year it was developed. The preparer of this form is not responsible for the use of the Assessment and Reserve Disclosure Summary in any subsequent year, or in updating the summary in any subsequent year, or in updating the summary for events and circumstances occurring after the date of this report.