Whitehawk Ranch Town Home Owners Association 2023 Budget (approved 11/07/2022)

Income	Ordinary Income/Expense		\$500/month/member
Interest from Operating Act.	Income		
Net available from prior year 3,000.00 Late Fees Collected 0.00 Total Income 435,020.00 Expense 435,020.00 Expense 30.00 Admin/Bookkeeping Services 25,155.00 Bank Fees 30.00 Insurance 65,000.00 Loan Repayment 108,000.00 Postage and Office Supplies 1,600.00 Tax Preparation 2,850.00 Taxes 10.00 Transfer to reserves 76,000.00 Total ADMINISTRATIVE EXPENSE 278,645.00 OPERATING EXPENSE 278,645.00 Landscape Maint 42,840.00 Tree Care 3,000.00 Legal expense 1,500.00 Master Assoc. Dues 72,576.00 Misc. Expense/Contingency 1,500.00 Snow Removal 30,300.00 Utilities 4,000.00 Total Utilities 4,500.00 Total Expense 434,861.00 Net Ordinary Income 159,00 Reserve Income 76,225.00 </th <th>Association Dues</th> <th>432,000.00</th> <th></th>	Association Dues	432,000.00	
Late Fees Collected	Interest from Operating Act.	20.00	
Total Income	Net available from prior year	3,000.00	
Expense	Late Fees Collected	0.00	
ADMINISTRATIVE EXPENSE Admin/Bookkeeping Services	Total Income	435,020.00	
Admin/Bookkeeping Services 25,155.00 Bank Fees 30.00 Insurance 65,000.00 Loan Repayment 108,000.00 Postage and Office Supplies 1,600.00 Tax Preparation 2,850.00 Taxes 10.00 Transfer to reserves 76,000.00 Total ADMINISTRATIVE EXPENSE 278,645.00 OPERATING EXPENSE Landscape Maint 42,840.00 Tree Care 3,000.00 Legal expense 1,500.00 Master Assoc. Dues 72,576.00 Misc. Expense/Contingency 1,500.00 Snow Removal 30,300.00 Utilities Electricity 500.00 Water for drip system 4,000.00 Total Utilities 4,500.00 Total OPERATING EXPENSE 156,216.00 Total Expense 434,861.00 Net Ordinary Income 159.00 Reserve Income/Expense Reserve Income 76,225.00 Reserve Expenses 0.00 TBD Total Reserve Expenses 0.00 TBD	Expense		
Bank Fees 30.00 Insurance 65,000.00 Loan Repayment 108,000.00 Postage and Office Supplies 1,600.00 Tax Preparation 2,850.00 Taxes 10.00 Total ADMINISTRATIVE EXPENSE 278,645.00 OPERATING EXPENSE Landscape Maint 42,840.00 Tree Care 3,000.00 Legal expense 1,500.00 Master Assoc. Dues 72,576.00 Misc. Expense/Contingency 1,500.00 Snow Removal 30,300.00 Utilities Electricity 500.00 Water for drip system 4,000.00 Total Utilities 4,500.00 Total OPERATING EXPENSE 156,216.00 Total Expense 434,861.00 Net Ordinary Income 159.00 Reserve Income/Expense Reserve Income 76,225.00 Reserve Expenses 0.00 TBD Total Reserve Expenses 0.00 TBD	ADMINISTRATIVE EXPENSE		
Insurance	Admin/Bookkeeping Services	25,155.00	
Loan Repayment 108,000.00	Bank Fees	30.00	
Postage and Office Supplies 1,600.00 Tax Preparation 2,850.00 Taxes 10.00 Transfer to reserves 76,000.00 Total ADMINISTRATIVE EXPENSE 278,645.00 OPERATING EXPENSE 278,645.00 Landscape Maint 42,840.00 Tree Care 3,000.00 Legal expense 1,500.00 Master Assoc. Dues 72,576.00 Misc. Expense/Contingency 1,500.00 Snow Removal 30,300.00 Utilities 500.00 Water for drip system 4,000.00 Total Utilities 4,500.00 Total OPERATING EXPENSE 156,216.00 Total Expense 434,861.00 Net Ordinary Income 159.00 Reserve Income/Expense 76,000.00 Transfer into reserve act. 76,000.00 Interest from Reserve Acts 225.00 Total Reserve Income 76,225.00 Reserve Expenses 0.00 Total Reserve Expenses 0.00	Insurance	65,000.00	
Tax Preparation 2,850.00 Taxes 10.00 Transfer to reserves 76,000.00 Total ADMINISTRATIVE EXPENSE 278,645.00 OPERATING EXPENSE 278,645.00 Landscape Maint 42,840.00 Tree Care 3,000.00 Legal expense 1,500.00 Master Assoc. Dues 72,576.00 Misc. Expense/Contingency 1,500.00 Snow Removal 30,300.00 Utilities 4,000.00 Total Utilities 4,500.00 Total OPERATING EXPENSE 156,216.00 Total Expense 434,861.00 Net Ordinary Income 159.00 Reserve Income/Expense 76,000.00 Interest from Reserve Acts 225.00 Total Reserve Income 76,225.00 Reserve Expenses 0.00 TBD Total Reserve Expenses 0.00 TBD	Loan Repayment	108,000.00	
Taxes 10.00 Transfer to reserves 76,000.00 Total ADMINISTRATIVE EXPENSE 278,645.00 OPERATING EXPENSE 278,645.00 Landscape Maint 42,840.00 Tree Care 3,000.00 Legal expense 1,500.00 Master Assoc. Dues 72,576.00 Misc. Expense/Contingency 1,500.00 Snow Removal 30,300.00 Utilities 4,000.00 Total Utilities 4,500.00 Total OPERATING EXPENSE 156,216.00 Total Expense 434,861.00 Net Ordinary Income 159.00 Reserve Income/Expense 76,000.00 Interest from Reserve Acts 225.00 Total Reserve Income 76,225.00 Reserve Expenses 0.00 TBD Total Reserve Expenses 0.00 TBD	Postage and Office Supplies	1,600.00	
Transfer to reserves 76,000.00 Total ADMINISTRATIVE EXPENSE 278,645.00 OPERATING EXPENSE 42,840.00 Landscape Maint 42,840.00 Tree Care 3,000.00 Legal expense 1,500.00 Master Assoc. Dues 72,576.00 Misc. Expense/Contingency 1,500.00 Snow Removal 30,300.00 Utilities 500.00 Water for drip system 4,000.00 Total Utilities 4,500.00 Total OPERATING EXPENSE 156,216.00 Total Expense 434,861.00 Net Ordinary Income 159.00 Reserve Income 76,000.00 Interest from Reserve Acts 225.00 Total Reserve Income 76,225.00 Reserve Expenses 0.00 TBD Total Reserve Expenses 0.00 TBD	Tax Preparation	2,850.00	
Total ADMINISTRATIVE EXPENSE OPERATING EXPENSE Landscape Maint Tree Care Legal expense Master Assoc. Dues Misc. Expense/Contingency Snow Removal Utilities Electricity Water for drip system Total Utilities 4,500.00 Total OPERATING EXPENSE Total Expense Reserve Income Transfer into reserve act. Interest from Reserve Acts Payable by Reserves Payable by Reserves 1,500.00 1,500	Taxes	10.00	
Author	Transfer to reserves	76,000.00	
Landscape Maint	Total ADMINISTRATIVE EXPENSE	278,645.00	
Tree Care	OPERATING EXPENSE		
Legal expense	Landscape Maint	42,840.00	
Master Assoc. Dues 72,576.00 Misc. Expense/Contingency 1,500.00 Snow Removal 30,300.00 Utilities 500.00 Water for drip system 4,000.00 Total Utilities 4,500.00 Total OPERATING EXPENSE 156,216.00 Total Expense 434,861.00 Net Ordinary Income 159.00 Reserve Income/Expense Reserve Income Transfer into reserve act. 76,000.00 Interest from Reserve Acts 225.00 Total Reserve Income 76,225.00 Reserve Expenses 0.00 TBD Total Reserve Expenses 0.00 TBD	Tree Care	3,000.00	
Misc. Expense/Contingency 1,500.00 Snow Removal 30,300.00 Utilities 500.00 Water for drip system 4,000.00 Total Utilities 4,500.00 Total OPERATING EXPENSE 156,216.00 Total Expense 434,861.00 Net Ordinary Income 159.00 Reserve Income/Expense Reserve Income Transfer into reserve act. 76,000.00 Interest from Reserve Acts 225.00 Total Reserve Income 76,225.00 Reserve Expenses 0.00 TBD Total Reserve Expenses 0.00 TBD	Legal expense	1,500.00	
Snow Removal 30,300.00 Utilities	Master Assoc. Dues	72,576.00	
Utilities	Misc. Expense/Contingency	1,500.00	
Electricity 500.00 Water for drip system 4,000.00 Total Utilities 4,500.00 Total OPERATING EXPENSE 156,216.00 Total Expense 434,861.00 Net Ordinary Income 159.00 Reserve Income/Expense Reserve Income Transfer into reserve act. 76,000.00 Interest from Reserve Acts 225.00 Total Reserve Income 76,225.00 Reserve Expenses 0.00 TBD Total Reserve Expenses 0.00 TBD	Snow Removal	30,300.00	
Water for drip system 4,000.00 Total Utilities 4,500.00 Total OPERATING EXPENSE 156,216.00 Total Expense 434,861.00 Net Ordinary Income 159.00 Reserve Income/Expense Reserve Income Transfer into reserve act. 76,000.00 Interest from Reserve Acts 225.00 Total Reserve Income 76,225.00 Reserve Expenses 0.00 TBD Total Reserve Expenses 0.00 TBD	Utilities		
Total Utilities 4,500.00 Total OPERATING EXPENSE 156,216.00 Total Expense 434,861.00 Net Ordinary Income 159.00 Reserve Income/Expense Reserve Income Transfer into reserve act. 76,000.00 Interest from Reserve Acts 225.00 Total Reserve Income 76,225.00 Reserve Expenses Payable by Reserves 0.00 TBD Total Reserve Expenses 0.00	Electricity	500.00	
Total OPERATING EXPENSE 156,216.00 Total Expense 434,861.00 Net Ordinary Income 159.00 Reserve Income/Expense 76,000.00 Interest from Reserve Acts 225.00 Total Reserve Income 76,225.00 Reserve Expenses 0.00 TBD Total Reserve Expenses 0.00 TBD	Water for drip system	4,000.00	
Total Expense 434,861.00 Net Ordinary Income 159.00 Reserve Income/Expense Reserve Income Transfer into reserve act. 76,000.00 Interest from Reserve Acts 225.00 Total Reserve Income 76,225.00 Reserve Expenses Payable by Reserves 0.00 TBD Total Reserve Expenses 0.00	Total Utilities	4,500.00	
Net Ordinary Income159.00Reserve Income/ExpenseReserve IncomeTransfer into reserve act.76,000.00Interest from Reserve Acts225.00Total Reserve Income76,225.00Reserve ExpensesPayable by Reserves0.00TBDTotal Reserve Expenses0.00	Total OPERATING EXPENSE	156,216.00	
Reserve Income/Expense Reserve Income Transfer into reserve act. 76,000.00 Interest from Reserve Acts 225.00 Total Reserve Income 76,225.00 Reserve Expenses Payable by Reserves 0.00 TBD Total Reserve Expenses 0.00	Total Expense	434,861.00	
Reserve Income Transfer into reserve act. 76,000.00 Interest from Reserve Acts 225.00 Total Reserve Income 76,225.00 Reserve Expenses Payable by Reserves 0.00 TBD Total Reserve Expenses 0.00	Net Ordinary Income	159.00	
Reserve Income Transfer into reserve act. 76,000.00 Interest from Reserve Acts 225.00 Total Reserve Income 76,225.00 Reserve Expenses Payable by Reserves 0.00 TBD Total Reserve Expenses 0.00	Reserve Income/Expense		
Interest from Reserve Acts 225.00 Total Reserve Income 76,225.00 Reserve Expenses Payable by Reserves Total Reserve Expenses 0.00 TBD Total Reserve Expenses	•		
Total Reserve Income 76,225.00 Reserve Expenses 0.00 TBD Total Reserve Expenses 0.00	Transfer into reserve act.	76,000.00	
Reserve Expenses Payable by Reserves Total Reserve Expenses 0.00 TBD	Interest from Reserve Acts	225.00	
Payable by Reserves 0.00 TBD Total Reserve Expenses 0.00	Total Reserve Income	76,225.00	
Payable by Reserves 0.00 TBD Total Reserve Expenses 0.00	Reserve Expenses		
		0.00	TBD
Net Reserve increase/decrease 76,225.00	Total Reserve Expenses	0.00	
·	Net Reserve increase/decrease	76,225.00	

Civil Code § 5570. Reserve Funding Disclosure Form.

Assessment and Reserve Funding Disclosure Summary 11/30/2022

- (1) The regular assessment per ownership interest is \$ 500 per lot.
- (2) There are no Additional regular or special assessments that have already been scheduled to be imposed or charged at this time:
- (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	Χ	No	

(4) All major components are included in the reserve study and are included in its calculations.

The status of the Association's reserves, as reflected in the Reserve Study, is as follows:

The Expenditure Forecast of the following Reserve Study identifies the major components which the Association is obligated to repair, replace, restore or maintain, as determined in accordance with the criteria specified above, and specifies for each such component:

Its current estimated replacement cost; Its estimated useful life; and Its estimated remaining useful life.

It is estimated that the total cash reserves necessary to repair, replace, restore or maintain such major components (in the aggregate) during and at the end of their first remaining useful life is \$428,263. [For purposes of this calculation, "necessary" is defined as the Fully Funded Balance (FFB) (Component Current Cost X Effective Age / Useful Life, including a provision for interest and inflation in future years.)]

The current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain such major components as of the fiscal year ending December 31, 2022 is estimated to be \$232,760, constituting 54.3% of the total expenditures anticipated for all such major components through their first end of useful life replacement.

Based upon the schedule of annual reserve contributions necessary to defray the cost of repairing, replacing, restoring or maintaining such major components in the years such expenditures are estimated to be required, it is estimated that annual reserve

contributions in the initial amount of \$83,000 [\$96.06 per Unit per month (average)] for the fiscal year ending December 31, 2022 (the first full fiscal year following first distribution of this report) will be necessary in order to meet all such reserve expenditures when they are projected to come due.

Based on the 30-year cash flow projection, the Association's reserves appear adequately funded as the reserve fund ending balances remain positive throughout the replacement of all major components during the next 30 years.

California statute imposes no reserve funding level requirements nor does it address funding level adequacy, and although one or more of the reserve fund percentages expressed in this report may be less than one hundred percent, those percentages do not necessarily indicate that the Association's reserves are inadequately funded.

2022 - 2030 reserve contributions per client direction. The association is paying on a 10-year loan they took out in 2019 for roof replacements. Payments are +/- \$116,000/year and will be paid off in 2029. When the note is paid off, the association will transition the loan payment amounts to reserve contributions.

Based on the paragraphs above, the Association is 54.3% funded.