

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

Ordinary Income/Expense	\$500/month/member	
Income		
Association Dues	432,000.00	
Interest from Operating Act.	20.00	
Net available from prior year	3,000.00	
Late Fees Collected	0.00	
Total Income	435,020.00	
Expense		
ADMINISTRATIVE EXPENSE		
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		
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 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 X 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.