

ANNUAL BUDGET REPORT

Fiscal Year Ending _____
(Civil Code Section 5300)

1. A pro forma operating budget, showing the estimated revenue and expenses on an accrual basis, is attached to this Report.

2. A summary of the Association's reserves prepared pursuant to Civil Code Section 5565 is contained in the "Assessment and Reserve Funding Disclosure Summary" attached to this Report.

3. A summary of the reserve funding plan adopted by the Board, as specified in Civil Code Section 5550(b)(5), is contained in the "Assessment and Reserve Funding Disclosure Summary" attached to this Report. The full reserve funding plan is available upon request.

4. The Board ____has / ____has not determined to defer or not undertake repairs or replacement of any major component with a remaining life of 30 years or less. If the Board has decided to defer or not to undertake the repairs or replacement, the Board's justification for this decision is: _____

_____.

5. The Board, consistent with the reserve funding plan adopted pursuant to Civil Code Section 5560, ____has / ____has not determined or anticipates that the levy of one or more special assessments will be required to repair, replace, or restore any major component or to provide adequate reserves therefor. If yes:
Estimated commencement date: _____
Estimated amount: \$ _____
Duration of the assessment: _____

6. The Board will fund reserves to repair or replace major components by the following mechanism(s):
Assessments. Details: _____
Borrowing. Details: _____
Use of other assets. Details: _____
Deferral of selected replacements or repairs. Details: _____
Other: _____

7. The procedures used for the calculation and establishment of reserves to defray the future repair, replacement, or additions to those major components that the Association is obligated to maintain are as follows: _____

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. The calculations do not assume a rate of return on cash reserves in excess of 2 percent above the discount rate published by the Federal Reserve Bank of San Francisco at the time the calculation was made.

8. The Association ___has / ___does not have any outstanding loans with an original term of more than one year. If yes:

Payee: _____

Interest rate: _____%

Amount outstanding: \$ _____

Annual payment: \$ _____

Date the loan is scheduled to be retired: _____

9. A summary of the association's property, general liability, earthquake, flood, and fidelity insurance policies is attached to this Report.