

BEVERLYWOOD WEST HOA

	2006 Budget			2007 Budget		
	Annual	Monthly	Per Unit	Annual	Monthly	Per Unit
INCOME						
Assessments	683280	56940	365	730,080	60,840	390
TOTAL INCOME	688080	57340	368	730,080	60,840	390
EXPENSE						
ADMINISTRATION						
Accounting/Audit	1800	150	1	1,250	104	1
Administrative	7200	600	4	4,500	375	2
Ins-Earthquake Ins.	57484	4790	31	75,000	6,250	40
Ins-Common	57133	4761	31	48,000	4,000	26
Work Comp	4012	334	2	3,500	292	2
Legal	10000	833	5	7,500	625	4
License	360	30	0	450	38	0
Management	22932	1911	12	23,616	1,968	13
Meeting Costs- Minutes	780	65	0	0	0	0
Postage	900	75	0	900	75	0
Reserve Study	750	63	0	1,200	100	1
Taxes	1020	85	1	3,500	292	2
Taxes/Form 199	250	21	0	250	21	0
Sub Total Administration	164621	13718	88	169,666	14,139	91
Payroll	55000	4583	29	57,000	4,750	30
FICA	3180	265	2	3,180	265	2
FUTA	600	50	0	48	4	0
SUI	300	25	0	96	8	0
Medical Insurance	2976	248	2	2,976	248	2
Sub Total Payroll	62056	5171	33	63,300	5,275	34
TOTAL ADMINISTRATION	226677	18890	121	232,966	19,414	124
UTILITIES						
Electricity	20800	1733	11	24,327	2,027	13
Gas	11000	917	6	11,000	917	6
Telephone-Entry	550	46	0	800	67	0
Water and Sewer	29000	2417	15	21,000	1,750	11
TOTAL UTILITIES	61350	5113	33	57,127	4,761	31
MAINTENANCE						
Fire Exting Service				165	14	0
Lighting-Bulbs / Extras	1200	100	1	1,500	125	1
Maint-Common Area	23561	1963	13	20,000	1,667	11
Plumbing	5000	417	3	10,000	833	5
Plumb- Backflow Testing	240	20	0	250	21	0
Roof Repairs	5000	417	3	5,000	417	3
TOTAL MAINTENANCE	48201	4017	26	54,915	4,576	29
CONTRACTS						
Cable T.V. Contract	43200	3600	23	43,200	3,600	23
Custodial Contract	12420	1035	7	14,940	1,245	8
Custodial Extras				300	25	2
Landscape Contract	56964	4747	30	56,964	4,747	30
Landscape Xtras Other	6000	500	3	4,000	333	2
Electrical/Lighting Contract	600	50	0	3,000	250	2
Pest/ Termite Control Contract	12000	1000	6	15,000	1,250	8
Pool/Spa Contract	6360	530	3	6,360	530	3
Pool/Spa/Xtra	1200	100	1	1,200	100	1
TOTAL CONTRACTS	138744	11562	74	144,964	12,080	79
Reserve Contributions	198108	16509	106	240,108	20,009	128
TOTAL OPERATING EXPENSES	673080	56090	360	730,080	60,840	390

Beverlywood West Homeowners Association
 Assessment and Reserve Funding Disclosure Summary
 (Civil Code § 1365.2.5)

(1) The current assessment per unit is \$390.00 per month.

(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	Amount per unit per month (if assessments are variable, see note immediately below)	Purpose of the assessment
	Total: NONE	

(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 No

(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 per unit per month
Total: N/A	

(5) The following major components, which are included in the reserve study, are NOT included in the existing reserve funding:

Major component	Useful remaining life in years	Reason this major component was not included
N/A		

(6) As of the last reserve study or update, the current balance in the reserve fund is \$297,594.40. Based on the method of calculation in paragraph (4) of subdivision (b) of Section 1365.2.5, the required amount in the reserve fund is \$1,044,961.00 and if an alternate, but generally accepted, method of calculation is also used, the required amount is n/a.

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.

DISCLAIMER: The information contained in this disclosure is a PROJECTION ONLY. Because the reserve study is a projection, the estimated lives and costs of components will likely change over time depending on a variety of factors such as (i) future inflation rates, (ii) levels of maintenance applied by future boards, unknown defects in materials that may lead to premature failures, etc. As a result, some components may experience longer lives while others will experience premature failures. Some components may cost less at the time of replacement while others may cost more.

ASSUMPTIONS (REVISED)

Certain assumptions were necessary in the preparation of the Beverlywood West Homeowners Association Reserve Study Update without Site Visit. They are as follows:

1. Changes included in this report allow for the most current rate of inflation, component price information and financial information provided by the association (i.e. interest rate, cash balance, reserve contribution). Unless additional information has been received from the association, no adjustments have been made for unanticipated events occurring during the previous year (i.e. weather, earthquakes, termite destruction, vandalism, etc.) and it is assumed that the components are depreciating at the rates identified in the previous Reserve Study.
2. We were informed of the following changes:
 - a. The modified cap sheet roofing for 3 buildings and the lower recreation building (Phase 1) was recently replaced, and it is intended to replace the roofing on 3 to 4 buildings per year.
 - b. Termite treatment was recently performed, and fumigation of 3-5 buildings per year is anticipated. For purposes of reporting it has been assumed that 3 buildings per year will be fumigated, and it is recommended that the adequacy of this allowance be periodically reviewed. Adjustments can be included in a future Reserve Study Update.
 - c. Siding was recently replaced, and a maintenance program has been instituted to extend the remaining life of the siding.
 - d. The cleanout repairs previously budgeted for have been done, and sewer cleanouts are to either be repaired, replaced, or subject to a maintenance program. A rate of \$20,000 per year is currently anticipated, adjusted for inflation.
 - e. Asphalt seal coat is anticipated to be done in October 2006, and for purposes of reporting it is assumed to have been performed.
 - f. Landscape/sprinkler system upgrades is anticipated to cost \$25,000 per year over the next 3 years.
 - g. Tree trimming is anticipated to cost \$20,000 per year over the next 3 years.
 - h. Pool furniture was replaced in 2005, including lounge chairs, chairs, tables, and umbrellas.

SUMMARY: BEVERLYWOOD WEST HOMEOWNERS ASSOCIATION - 156 UNITS

The following is a summary of the results of the Financial Analysis portion of the Reserve Study for the period indicated below. The recommended monthly reserve contribution is based on **Funding Plan #3** (also see "Comparison of Funding Plans" schedule). However, this funding plan, while being the most equitable, reflects minimum funding and may only marginally cover the total annual expenditures in some years. The "Per Unit" amounts reflect the "Total" amounts divided by the number of units - no adjustments have been made for any variable rate assessments.

ASSUMPTIONS:

(A) FISCAL PERIOD RESERVE STUDY IS TO COVER:	1/1/2007	through	12/31/2007
(B) INFLATION FACTOR:			3.39%
(C) INTEREST PERCENTAGE (unless provided by the association, assumed to be 2%):			2.00%
(D) BEGINNING RESERVE BALANCE (per association, estimated as of 1/1/2007):			332,424
(E) NUMBER OF UNITS:			156

ANALYSIS OF RESERVE CONTRIBUTION

	TOTAL	PER UNIT
(F) CURRENT AMOUNT PER MONTH (per association):	16,509.00	105.83
(G) RECOMMENDED AMOUNT PER MONTH (see Funding Plan #3):	19,893.35	127.52
(H) <u>TOTAL INCREASE / (DECREASE)</u> (item "G" less item "F"):	3,384.35	21.69
(I) <u>PERCENTAGE INCREASE / (DECREASE)</u> (item "H" divided by item "F"):	20.50%	20.50%
(J) SPECIAL ASSESSMENT NECESSARY FOR CURRENT YEAR:	0.00	0.00
(in addition to " RECOMMENDED AMOUNT PER MONTH " [item "G"])		
(K) FUTURE <u>ANNUAL PERCENTAGE INCREASES / (DECREASES)</u>	2008-2009 20.50%	20.50%

ANALYSIS OF TOTAL ASSESSMENT:

	TOTAL	PER UNIT
(L) CURRENT <u>TOTAL</u> MONTHLY ASSESSMENT	56,940.00	365.00
(M) RESERVE CONTRIBUTION <u>%</u> OF TOTAL ASSESSMENT (item "F" divided by "L")	28.99%	28.99%
(N) <u>% INCREASE/(DECREASE)</u> IN TOTAL MONTHLY ASSESSMENT ("h" divided by "L")	5.94%	5.94%

PERCENT FUNDED ("actual reserve balance" divided by "required reserve balance"): **31.81%**

actual reserve balance (item "D" above):	332,424
required reserve balance (see Component Inventory):	1,044,961