

California's Newly Revised Davis-Sterling Common Interest Development Act

Beginning July 1, 2005, California Assembly Bill 2718 requires CIDs to include an "Assessment and Reserve Funding Disclosure Summary." This new summary requires the association to disclose certain pieces of information regarding the budget and reserve study *in a specific format* (shown here). On our web site at www.arsinc.com we have provided this document in several other downloadable formats (including Microsoft Word doc and rtf) in our [Document Library](#). Visit our web site to download this document and edit it to suit your needs.

Assessment and Reserve Funding Disclosure Summary

1) The current assessment per unit is \$ _____ per _____.

Note: If assessments vary by the size or type of unit, the assessment applicable to this unit may be found on page _____ of the attached report.

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:	

Note: If assessments vary by the size or type of unit, the assessment applicable to this unit may be found on page _____ of the attached report.

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:

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

6) As of the last reserve study or update, the current balance in the reserve fund is \$ _____. 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 \$ _____, and if an alternate, but generally accepted, method of calculation is also used, the required amount is \$ _____. (See attached explanation)

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.

How To Fill In The Blanks:

1) This information will come from your approved budget.

2) If special assessments have been approved, disclose them here.

3) If you are following the recommendation of your reserve study, then answer "Yes."

4) If you answered "yes" to #3 (above), put "none."

5) If you answered "yes" to #3 (above), put "none."

6) These figures are found on the reserve study's "Executive Summary" in the first shaded box entitled "Adequacy of Reserves." The first blank is the figure used for the "Anticipated Reserve Balance." The second blank is the figure calculated to be the "Theoretically Ideal Reserve Balance." There is no alternate method used, so the third blank can be disregarded.