



**Kentwood Home Guardians**

*Community building community....*  
www.kentwoodhomeguardians.com

### **Kentwood Home Guardians**

Civil Code §5570: (a) The disclosures required by this article with regard to an association or a property shall be summarized on the following form:

#### **ASSESSMENT & RESERVE FUNDING DISCLOSURE SUMMARY FOR FISCAL YEAR ENDING MAY 31, 2022**

(1) The regular assessment per ownership interest is \$0.41472 per lot front foot, per year. Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on the assessment schedule posted at [www.kentwoodhomeguardians.com/full-report-2021](http://www.kentwoodhomeguardians.com/full-report-2021). Because assessments have not been increased, you may refer to last year’s statement for your assessment.

(2) Additional regular or special 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: **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 KHG’s obligation for repair and/or replacement of major components during the next 30 years?

Yes   X   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 that have not yet been approved by the Board or members? **NOT APPLICABLE**.

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

(6) Based on the method of calculation in paragraph (4) of subdivision (b) of Civil Code §5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$1747, based in whole or in part on the last reserve study update prepared by Office Manager Audrey Melton as of April 23, 2021. The projected reserve fund cash balance at the end of the current fiscal year is \$9652, resulting in reserves being 552%



**Kentwood Home Guardians**

*Community building community....*  
www.kentwoodhomeguardians.com

funded at this date.

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Civil Code §5570, the estimated amount required in the reserve fund at the end of each of the next five budget years is shown on the accompanying **Reserve Account & Reserve Funding Plan**, and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is \$1747 (plus projected cost increases of 5%), leaving the reserve at 100% funded. If the reserve funding plan approved by KHG is implemented, the projected reserve fund cash balance in each of those years will be no less than \$9652, leaving the annual reserve at more than 500% funded.

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. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 1% per year.

(b) For the purposes of preparing a summary pursuant to this section:

(1) “Estimated remaining useful life” means the time reasonably calculated to remain before a major component will require replacement.

(2) “Major component” has the meaning used in Civil Code §5550. Components with an estimated remaining useful life of more than 30 years may be included in a study as a capital asset or disregarded from the reserve calculation, so long as the decision is revealed in the reserve study report and reported in this Assessment and Reserve Funding Disclosure Summary.

(3) The form set out in the subdivision (a) shall accompany each annual budget report or summary thereof that is delivered pursuant to Civil Code §5300. The form may be supplemented or modified to clarify the information delivered, so long as the minimum information set out in the subdivision (a) is provided.

(4) For the purpose of the report and summary, 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. This shall not be construed to require the board to fund reserves in accordance with this calculation.