



**RESERVE STUDY**

Member Distribution Materials

**Plumas Eureka Villas 6**

*Update w/o Site Visit Review*

2021 Update

Published - September 14, 2021

Prepared for the 2022 Fiscal Year

<i>Section</i>	<i>Report</i>	<i>Page</i>
<i>California:</i>	Member Summary	1
	Assessment and Reserve Funding Disclosure Summary	[Civil Code §5570] 3
<i>Section III:</i>	30 Year Reserve Funding Plan	Cash Flow Method {c} 6

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September 14, 2021

This is a summary of the Reserve Study that has been performed for Plumas Eureka Villas 6, (the "Association"). This study was conducted in compliance with California *Civil Code Sections 5300, 5550 and 5560* and is being provided to you, as a member of the Association, as required under these statutes. A full copy is available (through the Association) for review by members of the Association.

The intention of the Reserve Study is to forecast the Association's ability to repair or replace major components as they wear out in future years. This is done utilizing the "Cash Flow Method." This is a method of developing a reserve funding plan where the contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund.

Browning Reserve Group prepared this Update w/o Site Visit Review for the January 1, 2022 - December 31, 2022 fiscal year.

Plumas Eureka Villas 6 is a Condominium with a total of 110 Units.

The Reserve Study is not an engineering report, and no destructive testing was performed. The costs outlined in the study are for budgetary and planning purposes only, and actual bid costs would depend upon the defined scope of work at the time repairs are made. Also, any latent defects are excluded from this report.

### **Funding Assessment**

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.

Plumas Eureka Villas 6  
California Member Summary  
2021 Update  
Prepared for the 2022 Fiscal Year

<i>Reserve Component</i>	<i>Current Replacement Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>	<i>2021 Fully Funded Balance</i>	<i>2022 Fully Funded Balance</i>	<i>2022 Line Item Contribution based on Cash Flow Method</i>
<b>01000 - Paving</b>	<b>407,842</b>	<b>1-20</b>	<b>0-6</b>	<b>262,564</b>	<b>292,684</b>	<b>20,038</b>
<b>02000 - Concrete</b>	<b>20,000</b>	<b>2-2</b>	<b>1-1</b>	<b>10,000</b>	<b>20,500</b>	<b>5,775</b>
<b>03000 - Painting: Exterior</b>	<b>85,438</b>	<b>1-2</b>	<b>0-1</b>	<b>62,214</b>	<b>47,609</b>	<b>13,412</b>
<b>04500 - Decking/Balconies</b>	<b>578,863</b>	<b>2-40</b>	<b>0-34</b>	<b>118,005</b>	<b>168,417</b>	<b>40,539</b>
<b>05000 - Roofing</b>	<b>1,146,460</b>	<b>25-25</b>	<b>21-21</b>	<b>114,646</b>	<b>164,517</b>	<b>45,053</b>
<b>29000 - Infrastructure</b>	<b>34,025</b>	<b>30-30</b>	<b>28-28</b>	<b>2,268</b>	<b>3,488</b>	<b>1,276</b>
<b>30000 - Miscellaneous</b>	<b>81,170</b>	<b>5-15</b>	<b>1-11</b>	<b>56,175</b>	<b>64,482</b>	<b>4,180</b>
<b>31000 - Reserve Study</b>	<b>2,600</b>	<b>3-3</b>	<b>1-1</b>	<b>1,733</b>	<b>2,665</b>	<b>501</b>
Totals	<b>\$2,356,398</b>			<b>\$627,606</b>	<b>\$764,361</b>	<b>\$130,774</b>
Estimated Ending Balance				<b>\$156,260</b>	<b>\$120,338</b>	<b>\$99.07</b>
Percent Funded				<b>24.9%</b>	<b>15.7%</b>	/Unit/month @ 110

September 14, 2021

(1) The regular assessment per ownership interest is \_\_\_\_\_ per month for the fiscal year beginning January 1, 2022.

*Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page \_\_\_ of the attached summary.*

(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:

Date assessment will be due:	Amount per ownership interest per month or year (if assessments are variable, see note immediately below):	Purpose of the assessment:
N/A	\$0.00	N/A
Total:	\$0.00	

*Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest 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

*This disclosure has been prepared by Browning Reserve Group and has been reviewed and approved by the association's board of directors based upon the best information available to the association at the time of its preparation. The accuracy of this information over the next 30 years will be dependent upon circumstances which are impossible to predict with specificity, and will require future action to adjust assessments over the period in accordance with the current projections and future developments.*

(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 the members

Approximate date assessment will be due:	Amount per ownership interest per month or year:
N/A	N/A

(5) All major components are included in the reserve study and are included in its calculations. See next page §5300(b)(4), for any major component exclusions.

(6) Based on the method of calculation in paragraph (4) of the subdivision (b) of section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$627,606, based in whole or in part on the last reserve study or update prepared by Browning Reserve Group as of September, 2021. The projected reserve fund cash balance at the end of the current fiscal year is \$156,260 resulting in reserves being 24.9% percent funded at this date. Civil code section 5570 does not require the board to fund reserves in accordance with this calculation.

*An alternate and generally accepted method of calculation has been utilized to determine future reserve contribution amounts. The reserve contribution for the next fiscal year has been determined using the Cash Flow method of calculation (see section III, Reserve Fund Balance Forecast). This is a method of developing a reserve funding plan where the contributions to the reserve fund are designated to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.*

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is presented in column (b) 'Fully Funded Balance' in the table immediately below; and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is presented in column (c) 'Reserve Ending Balance'; leaving the reserve at percent funding as presented in column (d) 'Percent Funded' in each of the respective years.

Fiscal Year (a)	Fully Funded Balance (b)	Reserve Ending Balance (c)	Percent Funded (d)
2022	\$764,361	\$120,338	15.7%
2023	\$807,619	\$122,393	15.2%
2024	\$842,971	\$227,690	27.0%
2025	\$974,986	\$333,236	34.2%
2026	\$1,098,376	\$395,108	36.0%

If the reserve funding plan approved by the association is implemented, the projected fund cash balance in each of those years will be the amounts presented in column (c) 'Reserve Ending Balance' in the table immediately above, leaving the reserve at percent funding as presented in column (d) 'Percent Funded' in each of the respective years.

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, 2.50% per year was the assumed long-term inflation rate, and 2.25% per year was the assumed long-term interest rate.

### Additional Disclosures

**§5565(d)** The current deficiency in reserve funding as of December 31, 2022 is \$5,855 per ownership interest (average).

*This is calculated as the current estimate of the amount of cash reserves necessary as of the end of the fiscal year for which the study is prepared, less, the amount of accumulated cash reserves actually (Projected to be) set aside to repair, replace, restore, or maintain the major components.*

$$\text{Deficiency} = \frac{\text{2022 Fully Funded Balance} - \text{2022 Reserve Ending Balance}}{\text{Ownership Interest Quantity}}$$

**§5300(b)(4)** The current board of directors of the association has not deferred or determined to not undertake repairs or replacements over the next 30 years.

Major Component:	Justification for Deferral:
N/A	N/A

**§5300(b)(5)** The board of directors as of the date of the study does not anticipate the levy of a special assessment for the repair, replacement, or restoration of the major components.

	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
<b>Beginning Balance</b>	121,266	156,260	120,338	122,393	227,690	333,236	395,108	134,848	283,034	430,034
<b>Inflated Expenditures @ 2.5%</b>	72,712	169,774	164,113	75,143	91,363	152,154	488,553	86,035	97,679	87,143
<b>Reserve Contribution</b>	104,619	130,774	163,468 <sup>1</sup>	176,545	190,669	205,923	222,397	229,572	236,747	243,922
<i>Units/month @ 110</i>	79.26	99.07	123.84	133.75	144.45	156.00	168.48	173.92	179.35	184.79
<i>Percentage Increase</i>		25.0%	25.0%	8.0%	8.0%	8.0%	8.0%	3.2%	3.1%	3.0%
<b>Special Assessments / Other</b>	0	0	0	0	0	0	0	0	0	0
<b>Interest Pre Tax @ 2.25%</b>	3,087	3,077	2,700	3,895	6,240	8,103	5,896	4,649	7,933	11,440
<b>Ending Balance</b>	156,260	120,338	122,393	227,690	333,236	395,108	134,848	283,034	430,034	598,253

1) Large reserve contribution increases in 2022 and 2023 are necessary to remain above threshold and complete reserve projects.

	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
<b>Beginning Balance</b>	598,253	758,491	914,309	1,010,424	1,193,684	1,326,709	1,511,591	1,642,942	1,842,608	2,034,082
<b>Inflated Expenditures @ 2.5%</b>	105,953	121,064	190,744	113,883	174,811	133,665	197,890	140,432	160,151	250,269
<b>Reserve Contribution</b>	251,097	258,272	265,447	272,622	279,797	286,972	294,147	301,322	308,497	315,672
<i>Units/month @ 110</i>	190.23	195.66	201.10	206.53	211.97	217.40	222.84	228.27	233.71	239.15
<i>Percentage Increase</i>	2.9%	2.9%	2.8%	2.7%	2.6%	2.6%	2.5%	2.4%	2.4%	2.3%
<b>Special Assessments / Other</b>	0	0	0	0	0	0	0	0	0	0
<b>Interest Pre Tax @ 2.25%</b>	15,094	18,610	21,412	24,520	28,039	31,576	35,094	38,776	43,128	46,503
<b>Ending Balance</b>	758,491	914,309	1,010,424	1,193,684	1,326,709	1,511,591	1,642,942	1,842,608	2,034,082	2,145,988

	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
<b>Beginning Balance</b>	2,145,988	2,345,554	2,120,530	1,866,156	1,586,810	1,307,139	1,544,424	980,719	1,242,612	1,419,291
<b>Inflated Expenditures @ 2.5%</b>	173,248	604,730	635,923	662,131	663,414	153,160	957,694	135,914	233,181	142,794
<b>Reserve Contribution</b>	322,847	330,022	337,197	344,372	351,547	358,722	365,897	373,072	380,247	387,422
<i>Units/month @ 110</i>	244.58	250.02	255.45	260.89	266.32	271.76	277.19	282.63	288.07	293.50
<i>Percentage Increase</i>	2.3%	2.2%	2.2%	2.1%	2.1%	2.0%	2.0%	2.0%	1.9%	1.9%
<b>Special Assessments / Other</b>	0	0	0	0	0	0	0	0	0	0
<b>Interest Pre Tax @ 2.25%</b>	49,968	49,685	44,351	38,414	32,195	31,723	28,092	24,734	29,613	34,686
<b>Ending Balance</b>	2,345,554	2,120,530	1,866,156	1,586,810	1,307,139	1,544,424	980,719	1,242,612	1,419,291	1,698,605