



# COMSTOCK HOA

"A Community that Cares"

November 5, 2018

Dear Homeowner:

We want to thank each of you for your commitment to the association. It takes working together to keep any community "together". Your board and management team work hard to stay on top of ever changing laws, maintain and improve the property, and keep you informed and involved. A special thank you goes to all of those dedicated members who serve on the board and our service providers. We can all feel proud of our community.

This year the cost of insurance increased significantly as has the cost of water. Our utilities budget has ballooned to \$149,400 a year as a result. Unfortunately, these are direct costs that each homeowner has to share.

This year we have approved an average 4.3% increase in assessments. Effective January 1, 2019, 2 bedroom units will be \$334 per month and 3 bedroom units \$401 per month. Please make sure you adjust your banking information accordingly.

Enclosed are two packets of information. The first is the Annual Operating Budget which includes:

- 2019 Annual Operating Budget
- 2019 Assessment and Reserve Funding Disclosure
- 2019 Annual Budget Report

The second is the 2019 Annual Policy Statement which includes:

- Association Notices and Communications Policy
- Notice of Right to Minutes
- Assessment Collection Policy
- Monetary Penalties (Fines) Policy
- Architectural Policy and Fees Policy
- Summary of IDR/ADR Policies
- 2019 Insurance Summary
- FHA and VA Disclosures

Please take a few moments to review these important documents. Additional policies and forms are available on our website. Our manager or one of the board members can answer questions regarding the budget or any of the disclosures provided herein. Again, thank you for your continued support.

Sincerely,

*Lito Calimlim, President  
Board of Directors*



COMSTOCK HOMEOWNERS ASSOCIATION  
OPERATING BUDGET

ITEM DESCRIPTION	2019 ANNUAL BUDGET	2019 MONTHLY BUDGET	2019 UNIT COST PER MONTH
Administration	73,010.00	6,084.17	52.45
Maintenance	40,066.00	3,338.83	28.78
Landscape	37,032.00	3,086.00	26.60
Recreation	10,150.00	845.83	7.29
Utilities	149,400.00	12,450.00	107.33
Sub Total	309,658.00	25,804.83	222.46
Reserve Funding	199,000.00	16,583.33	142.96
<b>TOTAL BUDGET</b>	<b>508,658.00</b>	<b>42,388.17</b>	
<b>PROJECTED INCOME</b>			
Assessments	508,658.00	42,388.17	365.42
Less Operating Income	24,450.00	2,037.50	17.56
<b>Total Assessment</b>	<b>484,208.00</b>	<b>40,350.67</b>	<b>347.85</b>
<b>ASSESSMENT COMPUTATION:</b>			
92 - 2 Bed Units	368,767.68	30,730.64	334.03
24 - 3 Bed Units	115,440.32	9,620.03	400.83
	484,208.00	40,350.67	

\*\*\* Average assessment  
See below for weighted amounts.

**Rounded to: \$334 per month**  
**Rounded to: \$401 per month**

COMSTOCK HOA  
2019 OPERATING BUDGET

EXPENSES	As of 9/18	To 12/18	2018 Budget	2019 Budget	Monthly
<b>Administration</b>					
Insurance	19,016	31,056	29,160	30,395	2,533
Postage	1,150	1,533	1,800	1,800	150
Copies	788	1,051	1,200	1,200	100
Office Supplies	299	399	500	500	42
Audit/tax Prep.	1,275	1,275	1,275	1,295	108
Account/Billing	6,615	8,820	8,820	8,820	735
Management	19,800	26,400	26,400	26,400	2,200
Legal/professional	0	0	1,000	1,000	83
Membership/pubs	400	400	400	400	33
Community Events	0	0	100	100	8
Board Training	0	0	100	100	8
Administrative Incidentals	718	957	1,000	1,000	83
<b>Admin Sub Total</b>	<b>59,061</b>	<b>75,092</b>	<b>71,755</b>	<b>73,010</b>	<b>6,084</b>
<b>Maintenance</b>					
Custodial	9,029	14,250	12,000	15,000	1,250
Misc Custodial	383	511	600	600	50
Common Area Repairs	14,970	19,960	16,000	16,000	1,333
Lighting Maintenance	339	452	500	500	42
Pest Control	4,399	5,865	4,716	4,716	393
Gutter & Downspout	80	107	3,000	3,000	250
Locksmith Svcs	72	108	250	250	21
<b>Maint Sub Total</b>	<b>29,272</b>	<b>43,908</b>	<b>37,066</b>	<b>40,066</b>	<b>3,339</b>
<b>Landscape</b>					
Lands Maintenance	16,047	21,396	21,400	22,032	1,836
Irrigation Maint	2,518	2,800	2,500	3,000	250
Landscape improve	4,860	4,860	6,000	6,000	500
Tree trim/removal	5,895	5,895	6,000	6,000	500
<b>Lands Sub Total</b>	<b>29,320</b>	<b>43,980</b>	<b>35,900</b>	<b>37,032</b>	<b>3,086</b>
<b>Recreation</b>					
Pool Contract	4,950	6,600	6,600	6,600	550
Misc Pool Services	1,316	1,755	2,500	2,500	208
Pool License	991	991	1,050	1,050	88
<b>Recr. Sub Total</b>	<b>7,257</b>	<b>10,886</b>	<b>10,150</b>	<b>10,150</b>	<b>846</b>
<b>Utilities</b>					
PGE Gas	15,708	20,944	25,200	24,000	2,000
PGE Electricity	8,124	10,832	12,500	12,500	1,042
Water Service	44,219	58,959	45,500	61,000	5,083
Waste Disposal	27,809	37,079	38,900	38,900	3,242
Recycling	8,928	11,904	11,800	13,000	1,083
<b>Utilities Sub Total</b>	<b>104,788</b>	<b>157,182</b>	<b>133,900</b>	<b>149,400</b>	<b>12,450</b>

2019 OPERATING BUDGET - Page 2

EXPENSES	As of 9/18	To 12/18	2018 Budget	2019 Budget	Monthly
<b>SUMMARY OF EXPENSES</b>					
Admin Sub Total	50,061	75,092	71,755	73,010	6,084
Maint Sub Total	29,272	43,908	37,066	40,066	3,339
Landscape Total	29,320	43,980	35,900	37,032	3,086
Recr. Sub Total	7,257	10,886	10,150	10,150	846
Utilities Sub Total	104,788	157,182	133,900	149,400	12,450
<b>OPERATING EXPENSE</b>	<b>220,698</b>	<b>331,047</b>	<b>288,771</b>	<b>309,658</b>	<b>25,805</b>
RESERVE FUNDING	132,666	219,000	199,000	199,000	16,583
<b>TOTAL EXPENSE</b>	<b>353,364</b>	<b>550,047</b>	<b>487,771</b>	<b>508,658</b>	<b>42,388</b>

INCOME

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OPERATING INCOME

Late Charges	1,090	1,453	750	750	63
Interest - A/R	2,218	2,957	100	100.00	8
Laundry	16,610	22,147	17,000	17,000	1,417
Fines & Penalties	675	675	0	0	0
Parking Lease	7,850	7,850	6,600	6,600	550
Pool Key Revenue	140	105	0	0	0
Utility Credit Revenue	591	591	0	0	0
<b>TOTAL OPS INCOME</b>	<b>29,174</b>	<b>43,761</b>	<b>24,450</b>	<b>24,450</b>	<b>2,038</b>
Regular Assessments	286,016	429,024	487,771	508,658	40,648
Operating Income	29,174	43,761	24,450	24,450	2,038
		0			
<b>TOTAL INCOME*</b>	<b>315,190</b>	<b>472,785</b>	<b>512,221</b>	<b>533,108</b>	

\* offset by operating income

# Comstock Garden Condominiums

## RESERVE FUNDING DISCLOSURE REPORT (CA CIVIL CODE §5570)

Units: 116

Start Date: 2019-01-01

### Project Description

Property Name: Comstock Garden Condominiums  
City and State: Concord, CA  
Type of Project: Condominium  
Number of Units: 116  
Age of Project: 53  
Notes:

### Financial Summary

Starting Reserve Balance: \$550,104  
Fully Funded Reserve Balance: \$2,176,029  
Deficit/Surplus vs. Fully Funded Reserve: (\$1,625,925)  
or (\$14,016.60) Per Unit Avg  
Percent Funded: 25%  
Current Replacement Cost: \$3,395,382

### Expenditures by Category

	UL	RUL	Current Replacement Cost	Accumulated Reserve Balance	Annual Fully Funded Requirement	Fully Funded Reserve Balance	Annual Reserve Contribution
Asphalt & Concrete Surfaces	4-35	0-25	\$220,678	\$19,255	\$11,487	\$76,167	\$15,540
Doors	30-30	26-29	\$159,242	\$5,189	\$5,308	\$20,527	\$7,181
Fencing & Gates	20-40	3-27	\$281,397	\$29,954	\$8,087	\$118,487	\$10,940
Landscaping	10-20	5-10	\$48,448	\$6,124	\$3,621	\$24,224	\$4,898
Lighting	20-25	16-23	\$63,494	\$1,997	\$2,775	\$7,899	\$3,754
Miscellaneous	15-20	0-9	\$18,785	\$3,843	\$1,014	\$15,200	\$1,372
Painting	5-12	2-7	\$182,702	\$33,906	\$21,269	\$134,123	\$28,772
Plumbing & Water Heaters	3-40	0-32	\$849,899	\$158,116	\$25,613	\$625,456	\$34,648
Pool Area (Even)	4-40	0-33	\$61,259	\$3,781	\$2,023	\$14,958	\$2,737
Pool Area (Odd)	4-40	2-29	\$77,949	\$6,323	\$2,970	\$25,012	\$4,018
Roofing	20-40	0-20	\$1,140,706	\$233,302	\$46,891	\$922,865	\$63,434
Sump Pumps	12-20	0-0	\$32,000	\$8,090	\$2,233	\$32,000	\$3,021
Wood Surfaces & Railing	10-40	2-24	\$258,823	\$40,224	\$13,813	\$159,113	\$18,686

## Adopted Funding Plan

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
2019	\$199,000	\$142.96	\$373,120	\$378,299	\$2,008,514	19%
2020	\$204,970	\$147.25	\$339,065	\$245,761	\$1,875,596	13%
2021	\$211,119	\$151.67	\$249,666	\$208,346	\$1,835,453	11%
2022	\$217,453	\$156.22	\$58,797	\$368,440	\$1,995,522	18%
2023	\$223,976	\$160.90	\$67,885	\$526,764	\$2,156,001	24%
2024	\$230,696	\$165.73	\$223,471	\$536,641	\$2,166,156	25%
2025	\$237,616	\$170.70	\$43,949	\$733,476	\$2,366,794	31%
2026	\$244,745	\$175.82	\$275,122	\$706,691	\$2,340,770	30%
2027	\$252,087	\$181.10	\$185,600	\$776,877	\$2,411,762	32%
2028	\$259,650	\$186.53	\$20,409	\$1,020,600	\$2,660,790	38%
2029	\$267,439	\$192.13	\$252,837	\$1,040,343	\$2,683,818	39%
2030	\$275,463	\$197.89	\$178,186	\$1,143,065	\$2,790,538	41%
2031	\$283,726	\$203.83	\$636,607	\$795,017	\$2,434,576	33%
2032	\$292,238	\$209.94	\$232,460	\$858,920	\$2,490,688	34%
2033	\$301,005	\$216.24	\$27,118	\$1,137,786	\$2,766,661	41%
2034	\$310,036	\$222.73	\$128,144	\$1,325,821	\$2,953,731	45%
2035	\$319,337	\$229.41	\$110,231	\$1,542,078	\$3,171,946	49%
2036	\$328,917	\$236.29	\$121,813	\$1,757,410	\$3,392,072	52%
2037	\$338,784	\$243.38	\$61,342	\$2,044,332	\$3,688,600	55%
2038	\$348,948	\$250.68	\$25,426	\$2,378,884	\$4,038,756	59%
2039	\$359,416	\$258.20	\$1,238,276	\$1,509,722	\$3,158,152	48%
2040	\$370,199	\$265.95	\$615,532	\$1,271,323	\$2,900,765	44%
2041	\$381,305	\$273.93	\$422,260	\$1,236,622	\$2,843,184	43%
2042	\$392,744	\$282.14	\$193,393	\$1,442,654	\$3,028,317	48%
2043	\$404,526	\$290.61	\$191,303	\$1,663,624	\$3,230,129	52%
2044	\$416,662	\$299.33	\$320,934	\$1,767,909	\$3,313,715	53%
2045	\$429,162	\$308.31	\$538,217	\$1,667,421	\$3,185,524	52%
2046	\$442,037	\$317.55	\$655,027	\$1,462,235	\$2,942,976	50%
2047	\$455,298	\$327.08	\$25,201	\$1,900,719	\$3,351,970	57%
2048	\$468,957	\$336.89	\$191,360	\$2,188,513	\$3,612,489	61%

## Assessment and Reserve Funding Disclosure

1. The current average regular Assessment per ownership interest is: **\$365.42** per month.

Note: if Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages to be provided by Board or Management.

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	Average Amount Per Unit	Purpose Of Assessment
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Note: if Assessments vary by the size or type of unit, the assessment applicable to this unit may be found on attached pages, to be provided by Board or Management.

3. Based on 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
X	

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 of Assessment	Amount Per Unit
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Note: Indicates the first year of a deficit based on the Adopted Funding Plan. The additional assessment amount indicates what will be required in that year to assure the reserve balance for the remaining years of the report will be above zero. Actual assessments may vary from year to year.

5. All major components are included in the reserve study and are included in its calculations (Note below the status of components with a 30+ yr. remaining life).

Component Name	Status
Concrete/Coping	Included in Reserve Calculations
Electrical/lighting	Included in Reserve Calculations
Plans/Permits	Included in Reserve Calculations
Plumbing	Included in Reserve Calculations
Sewers	Included in Reserve Calculations

6. Based on the method of calculation in paragraph (4) of subdivision (b) of section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$2,176,029, based in whole or in part on the last reserve study or update prepared by Barrera & Company, Inc. as of 2018-10-23. The projected reserve fund cash Balance at the end of the current fiscal year is \$550,104, resulting in reserves being 25% at this date. If an alternate, but generally accepted, method of calculation is also used, the required reserve amount is \$ N/A.

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 5 budget years is \$ (column E), and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is \$ (column D), leaving the reserve at (column F) percent funding. Please see the projected five year funding plan below that has been implemented and approved by the association.

Year	Annual Reserve Contributions	Monthly Reserve Contributions (Avg. Per Unit)	Anticipated Expenditures	Ending Reserve Balance	Fully Funded Reserve Balance	Percent Funded
A	B	C	D	E	F	
2019	\$199,000	\$142.96	\$373,120	\$378,299	\$2,008,514	19%
2020	\$204,970	\$147.25	\$339,065	\$245,761	\$1,875,596	13%
2021	\$211,119	\$151.67	\$249,666	\$208,346	\$1,835,453	11%
2022	\$217,453	\$156.22	\$58,797	\$368,440	\$1,995,522	18%
2023	\$223,976	\$160.90	\$67,885	\$526,764	\$2,156,001	24%

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 interest rate earned on reserve funds was 0.50% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 3.00% per year.

The preparer of this form will be indemnified and held harmless against all losses, claims, actions, damages, expenses or liabilities, including reasonable attorneys' fees, to which we may become subject in connection with this engagement, because of any false, misleading or incomplete information which has been relied upon by others, or which may result from any improper use or reliance on the disclosure by you or a third party.

The reserve study report completed and reviewed for the purposes of completing the enclosed summary was finalized based on approval from the Board of Directors. Therefore, the final decisions for implementation, updating or revising the information obtained in this report, for any changes in assumptions, is the sole right and responsibility of the Board of Directors. This report and the numbers generated herein are for use only for the year it was developed. The preparer of this form is not responsible for the use of the Assessment and Reserve Disclosure Summary in any subsequent year, or in updating the summary in any subsequent year, or in updating the summary for events and circumstances occurring after the date of this report.



## COMSTOCK HOA 2019 ANNUAL BUDGET REPORT

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These notes are intended to explain major changes in the operating and reserve funding plans for 2019. Detailed line items for Operating expenses are based on historical information and projected expenses along with other relevant information that could impact the Operating Budget.

Happily, 2018 continued to see a big increase in property values. Condos placed on the market sold within days for asking prices or above. Our owner occupancy ratio has remained at 55% this year and we hope to see further improvement with both FHA and VA approval in place.

The attached pro forma operating budget, showing estimated revenue and expenses on an accrual basis reflects a 4.3% average increase in annual assessments planned for 2019. Effective January 1, 2019 2-bed condos monthly assessments will increase to \$334 and 3-bed condos will pay \$401.

### OPERATING BUDGET CHANGES

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**ADMINISTRATION:** This year's admin budget has increased again as a result of increased insurance premiums.

**MAINTENANCE:** This budget increased \$3,000 in order to provide extra foyer cleaning at least once a year. We work hard to keep our complex looking great, stay on top of dry rot, and do all of the "little" things that add up but result in a well maintained property.

**LANDSCAPE:** Improving the property is a priority so we've kept a significant budget for landscape renovation and tree replanting. Even with the drought, landscape and trees are a major asset the board is required to maintain. There was a 3% increase to the landscaper's contract this year.

**RECREATION:** There were no changes to the budget to maintain the pools.

**UTILITIES:** The main issue in the operating budget as always is the cost of utilities. Gas and electricity have sky rocketed as you know from your own personal bills. Last year we budgeted \$133,900 for utilities and are forecast to spend over \$157,182! This includes the cost of water (both hot and cold) for personal use, irrigation for landscape and water for pools. It also includes gas for laundry rooms and water heaters, electricity for common area lighting, irrigation and washers and the cost of waste management. With the rate increases forecast, we had to budget \$149,400 for 2019, a substantial increase.

**OPERATING INCOME:** The association generates a very small amount of income from late charges, interest, laundry and other miscellaneous sources. Our laundry revenues ideally should offset the cost of utilities. Income from leasing parking spaces has also been included.

### RESERVE COMPUTATION AND FUNDING

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Maintenance of the complex is the board's fiduciary responsibility. All of our roofs are reaching the end of their life. We have established a relationship with General Roofing for the replacement of our flat DuroLast roofs. They are to be replaced in 2019-2020. We also had the wood shake mansard roofs inspected as well as the shingle roofs on all of the sheds. In the next 2 years we have \$675,000 worth of

roof replacements to complete including all of the flat roofs. In 2021 it is time to paint again (\$150,000) and in 2022 we will need to replace the shed roofs (\$120,000). That totals over \$945,000 work on roofs and painting alone in the next 4 years.

And of course, there are other things that need done including recoating balconies, repainting foyer floors, sealing and restriping asphalt in two courts, and replacing water heaters as needed. All those are managed through our reserves. We did not include another increase in reserve funding this year however anticipate another increase next year.

By law, the association is required to accumulate funds to pay for the upcoming repair and replacement of our common area components. A physical inspection of all components in our reserve funding plan is required every three years. Barrera and Company completed that inspection for the 2019 budget cycle and will be updating the reserve funding each year going forward. The full reserve study plan is available and shall be provided upon request. Their Assessment and Reserve Funding Disclosure is included herein. There was no increase to Reserve Funding budgeted in 2019.

Regular assessments for 2019 will increase to \$334 for 2 bedroom units and \$401 for 3 bedroom units per month. Monthly assessments include both reserve funding and all projected operating costs for the HOA for the FY 2019.