



Financial
Management
Inc.

CREEKSIDE CABAÑA CLUB

**2021
Annual Budget Report**

ANNUAL BUDGET REPORT

Enclosed is a copy of the 2021 Operating Budget and other documents necessary to complete the Annual Budget Report. The board approved a budget with no increase to your annual assessments.

Effective April 1, 2021 your annual assessment will remain \$360.

In compliance with California Civil Code Section 5300, the Annual Budget Report must include all the following attachments and statements:

1.A pro forma operating budget, showing the estimated revenue and expenses on an accrual basis. (See pages 3-4)

2.A summary of the association's reserves, prepared pursuant to **Section 5565**. **Note:** *The association is awaiting a new reserve study, the reserve study is not complete and does not accompany this budget report. As soon as it is available it will be distributed to all members*

3.A summary of the reserve funding plan adopted by the board, as specified in paragraph (5) of subdivision (b) of **Section 5550**. The summary shall include notice to members that the full reserve study plan is available upon request, and the association shall provide the full reserve plan to any member upon request. **Note:** *see above note.*

4.A statement as to whether the board has determined to defer or not undertake repairs or replacement of any major component with a remaining life of 30 years or less, including a justification for the deferral or decision not to undertake the repairs or replacement. **Note:** *See above note.*

5.A statement as to whether the board, consistent with the reserve funding plan adopted pursuant to **Section 5560**, has determined or anticipates that the levy of one or more special assessments will be required to repair, replace, or restore any major component or to provide adequate reserves therefor. If so, the statement shall also set out the estimated amount, commencement date, and duration of the assessment. **Note:** *see above note.*

6.A statement as to the mechanism or mechanisms by which the board will fund reserves to repair or replace major components, including assessments, borrowing, use of other assets, deferral of selected replacements or repairs, or alternative mechanisms. **Note:** *The board will use all mechanisms available to continue to repair and replace major components when needed.*

7.A general statement addressing the procedures used for the calculation and establishment of those reserves to defray the future repair, replacement, or additions to those major components that the association is obligated to maintain. The statement shall include, but need not be limited to, reserve calculations made using the formula described in paragraph (4) of subdivision (b) of **Section 5570**, and may not assume a rate of return on cash reserves in excess of 2 percent above the discount rate published by the Federal Reserve Bank of San Francisco at the time the calculation was made. **Note:** **See above note.**

Owners must remember that reserve funding is based upon best known estimates. If the component fails earlier or costs significantly more than budgeted the association would need to impose special or additional assessments.

8. A statement as to whether the association has any outstanding loans with an original term of more than one year, including the payee, interest rate, amount outstanding, annual payment, and when the loan is scheduled to be retired. *Note: Currently there are no loans on the books of the association.*

9. A summary of the association's property, general liability, earthquake, flood, and fidelity insurance policies. For each policy, the summary shall include the name of the insurer, the type of insurance, the policy limit, and the amount of the deductible, if any. To the extent that any of the required information is specified in the insurance policy declaration page, the association may meet its obligation to disclose that information by making copies of that page and distributing it with the annual budget report. **(See pages 5-8)**

10. When the common interest development is a condominium project, a statement describing the status of the common interest development as a Federal Housing Administration (FHA)-approved condominium project pursuant to FHA guidelines, including whether the common interest development is an FHA-approved condominium project. The statement shall be in at least 10-point font on a separate piece of paper and in the following form. **(See page 9)** *Note: FHA does not require approval of a Planned Unit Development (PUD) as a precondition for placing FHA mortgage insurance on a dwelling located in the development*

11. When the common interest development is a condominium project, a statement describing the status of the common interest development as a federal Department of Veterans Affairs (VA)-approved condominium project pursuant to VA guidelines, including whether the common interest development is a VA-approved condominium project. The statement shall be in at least 10-point font on a separate piece of paper and in the following form **(See page 10)** *Note: There are VA requirements applicable to all properties located in either a PUD or condominium. Condominiums (but not PUDs) must be approved by VA before any lots or units in the project are eligible for VA loan guaranty.*

12. A copy of the completed "Charges for Documents Provided" disclosure identified in Section 4528. For purposes of this section, "completed" means that the "Fee for Document" section of the form individually identifies the costs associated with providing each document listed on the form. **(See pages 11-13)**

Mailed with this report is a separate document titled Annual Policy Statement. Please take time to read and become familiar with that document.

Sincerely,

Board of Directors

Creekside Cabana Club
Fiscal Year End December 31, 2021
Approved Budget

	Current 2020 Annual Budget	Projected 2020 Annual	Approved 2021 Annual Budget	Approved 2021 Monthly Budget	Approved 2021 Per Unit Per Year
R E V E N U E					
OPERATING REVENUE					
41010 Owners' Annual Assessments	\$ 159,840.00	\$ 383,616.00	\$ 159,840.00	\$ 13,320.00	\$ 360.00
41015 Associate Memberships	49,950.00	23,676.00	49,950.00	4,162.50	112.50
41040 Interest Billed	2,950.00	-	2,950.00	245.83	6.64
41060 Operating Interest Earned	50.00	81.50	50.00	4.17	0.11
SUBTOTAL	<u>\$ 212,790.00</u>	<u>\$ 407,373.50</u>	<u>\$ 212,790.00</u>	<u>\$ 17,732.50</u>	<u>\$ 479.26</u>
MISCELLANEOUS REVENUE					
43950 Clubhouse Rentals	\$ 48,000.00	\$ 9,566.40	\$ 48,000.00	\$ 4,000.00	\$ 108.11
43955 Concessions	4,600.00	-	4,600.00	383.33	10.36
43965 Guest Fees	3,500.00	-	3,500.00	291.67	7.88
43970 Swim Team Payroll Offset	36,000.00	10,462.72	36,000.00	3,000.00	81.08
43975 Swim Lessons	28,000.00	-	28,000.00	2,333.33	63.06
43980 Newsletter Advertising	650.00	72.00	650.00	54.17	1.46
43990 Miscellaneous	200.00	-	200.00	16.67	0.45
SUBTOTAL	<u>\$ 120,950.00</u>	<u>\$ 20,101.12</u>	<u>\$ 120,950.00</u>	<u>\$ 10,079.17</u>	<u>\$ 272.41</u>
TRANSFER TO FUND ACCOUNTS					
49010 (Current Reserve Funding)	\$ (15,144.00)	\$ (36,345.60)	\$ (15,144.00)	\$ (1,262.00)	\$ (34.11)
SUBTOTAL	<u>\$ (15,144.00)</u>	<u>\$ (36,345.60)</u>	<u>\$ (15,144.00)</u>	<u>\$ (1,262.00)</u>	<u>\$ (34.11)</u>
NET OPERATING REVENUE	<u><u>\$ 318,596.00</u></u>	<u><u>\$ 391,129.02</u></u>	<u><u>\$ 318,596.00</u></u>	<u><u>\$ 26,549.67</u></u>	<u><u>\$ 717.56</u></u>

**Creekside Cabana Club
Fiscal Year End December 31, 2021
Approved Budget**

	Current 2020 Annual Budget	Projected 2020 Annual	Approved 2021 Annual Budget	Approved 2021 Monthly Budget	Approved 2021 Per Unit Per Year
EXPENSES					
ADMINISTRATIVE EXPENSES					
50000 Fidelity Insurance	\$ 450.00	\$ 501.00	\$ 450.00	\$ 37.50	\$ 1.01
50010 Association Insurance	13,603.00	14,060.06	13,603.00	1,133.58	30.64
50011 W/C Insurance	2,850.00	2,433.00	2,850.00	237.50	6.42
50012 Postage	850.00	1,847.49	850.00	70.83	1.91
50014 Copies & Printing	375.00	2,682.07	375.00	31.25	0.84
50016 Onsite Office Supplies	1,050.00	67.89	1,050.00	87.50	2.36
50021 Banking, Late & Service Fees	200.00	141.00	200.00	16.67	0.45
50022 CPA Services	2,000.00	-	2,000.00	166.67	4.50
50023 State & Federal Taxes	12,000.00	-	12,000.00	1,000.00	27.03
50024 California Corporation Fees	45.00	-	45.00	3.75	0.10
50025 Employee Compensation	122,431.00	12,135.38	122,431.00	10,202.58	275.75
50026 Employer Payroll Taxes	14,000.00	1,474.60	14,000.00	1,166.67	31.53
50027 Rental Commission (25%)	12,000.00	2,162.06	12,000.00	1,000.00	27.03
50029 Payroll Processing	275.00	86.40	275.00	22.92	0.62
50030 Financial Management Contract	9,924.00	9,924.00	9,924.00	827.00	22.35
50034 Misc. Financial Services	775.00	768.00	775.00	64.58	1.75
50039 Collections Services	1,200.00	-	1,200.00	100.00	2.70
50040 Legal Services	1,200.00	-	1,200.00	100.00	2.70
50041 IT Services & Software	325.00	180.00	325.00	27.08	0.73
50043 Annual Budget Preparation	1,200.00	-	1,200.00	100.00	2.70
50046 Meetings & Community Events	500.00	-	500.00	41.67	1.13
50047 Newsletters	12,800.00	4,968.00	12,800.00	1,066.67	28.83
50050 Bad Debt	9,000.00	14,191.70	9,000.00	750.00	20.27
50090 Administrative Incidentals	500.00	-	500.00	41.67	1.13
SUBTOTAL	<u>\$ 219,553.00</u>	<u>\$ 67,622.65</u>	<u>\$ 219,553.00</u>	<u>\$ 18,296.09</u>	<u>\$ 494.49</u>
BUILDING REPAIRS & MAINTENANCE					
51000 Commercial Cleaning	\$ 4,800.00	\$ 1,920.00	\$ 4,800.00	\$ 400.00	\$ 10.81
51011 Misc Cleaning & Supplies	2,000.00	-	2,000.00	166.67	4.50
51030 Fire System Services	2,520.00	-	2,520.00	210.00	5.68
51040 Common Area Maintenance	5,000.00	5,845.82	5,000.00	416.67	11.26
SUBTOTAL	<u>\$ 14,320.00</u>	<u>\$ 7,765.82</u>	<u>\$ 14,320.00</u>	<u>\$ 1,193.34</u>	<u>\$ 32.25</u>
GROUNDS REPAIRS & MAINTENANCE					
51210 Landscape Maintenance	\$ 11,100.00	\$ 11,520.00	\$ 11,100.00	\$ 925.00	\$ 25.00
51214 Irrigation Maintenance	500.00	-	500.00	41.67	1.13
51215 Tree Maintenance	1,000.00	-	1,000.00	83.33	2.25
SUBTOTAL	<u>\$ 12,600.00</u>	<u>\$ 11,520.00</u>	<u>\$ 12,600.00</u>	<u>\$ 1,050.00</u>	<u>\$ 28.38</u>
UTILITIES EXPENSE					
55010 Gas	\$ 6,006.00	\$ 6,297.64	\$ 6,006.00	\$ 500.50	\$ 13.53
55012 Electricity (Common Area)	18,019.00	13,791.24	18,019.00	1,501.58	40.58
55014 Water Services	7,660.00	5,509.75	7,660.00	638.33	17.25
55016 Garbage	5,300.00	2,815.44	5,300.00	441.67	11.94
55020 Communication Lines	1,538.00	1,751.68	1,538.00	128.17	3.46
SUBTOTAL	<u>\$ 38,523.00</u>	<u>\$ 30,165.75</u>	<u>\$ 38,523.00</u>	<u>\$ 3,210.25</u>	<u>\$ 86.76</u>
TOTAL EXPENSES	<u>\$ 284,996.00</u>	<u>\$ 117,074.22</u>	<u>\$ 284,996.00</u>	<u>\$ 23,749.68</u>	<u>\$ 641.88</u>
NET INCOME (LOSS) BEFORE TAXES	<u>\$ 33,600.00</u>	<u>\$ 274,054.80</u>	<u>\$ 33,600.00</u>	<u>\$ 2,799.99</u>	<u>\$ 75.68</u>

4/8/2020

Creekside Cabana Club
Civil Code 5300(b)(9) Disclosure Summary Form

**Property: Philadelphia Indemnity Insurance Company: 4/16/2020 - 4/16/2021
\$1,019,366 Blanketed Common Area Property Limit with a \$1,000 Deductible.
\$20,000 Limit in Business Personal Property with a \$1,000 Deductible.

General Liability: Philadelphia Indemnity Insurance Company: 4/16/2020 - 4/16/2021
\$1,000,000/\$2,000,000 per Occurrence/General Aggregate with a \$0 Deductible.
\$1,000,000 Non-Owned and Hire Automobile Liability is included in this policy.

Umbrella Liability: Philadelphia Indemnity Insurance Company: 4/16/2020 - 4/16/2021
\$2,000,000 each Occurrence/General Aggregate with a \$10,000 Deductible.

Directors' and Officers' Liability: Continental Casualty Company: 4/16/2020 - 4/16/2021
\$1,000,000 per Occurrence and Annual Aggregate with a \$1,000 retention per Occurrence.

Employee Dishonesty: No Coverage through our Agency.

Workers' Compensation: No Coverage through our Agency.

Equipment Breakdown Coverage: No Coverage through our Agency.

Earthquake Insurance: No Coverage through our Agency.

Flood: No Coverage through our Agency.

This summary of the Association's policies of insurance provides only certain information, as required by subdivision (b) of Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any Association Member may, upon request and provision of reasonable notice, review the Association's Insurance Policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the Association maintains the Policies of Insurance specified in this summary, the Association's Policies of Insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any Deductible that applies. Association Members should consult with their individual Insurance Broker or Agent for appropriate additional coverage.

*****Coverage is Common Area Only. Each homeowner is responsible for insuring their own dwelling. For further information please call us at 877-317-9300.***

EVIDENCE OF FIDELITY INSURANCE

PRODUCER:
 CID Insurance Programs, Inc.
 7125 El Cajon Blvd., Ste. 3
 San Diego, CA 92115
 (800) 922-7283

INSURER:
 A. Hartford Fire Insurance Company

DATE:
 5/26/2020

NAMED INSURED:
 Creekside Cabana Club

DESIGNATED AGENT:
 Condominium Financial Management, Inc.
 60 Mayhew Way
 Walnut Creek CA 94597

COVERAGE:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PRETAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PRIOR CLAIMS.

INSURER	TYPE OF INSURANCE	POLICY NUMBER	POLICY PERIOD	LIMIT OF INSURANCE / DEDUCTIBLE
A.	Fidelity	72BDDIF1487	06/01/20 – 06/01/21	\$250000/ \$1000

PROPERTY MANAGEMENT COMPANY EMPLOYEES PER FORM CA 00 H149 00 0214

THE MOST THE INSURER WILL PAY UNDER THIS POLICY FOR LOSS IN ANY ONE "OCCURRENCE" INVOLVING ANY "PMC EMPLOYEE" IS THE LIMIT OF INSURANCE SHOWN IN THE SCHEDULE AND ITS DEDUCTIBLE AMOUNT. THAT LIMIT OF INSURANCE IS PART OF, NOT IN ADDITION TO, THE LIMIT OF INSURANCE SHOW IN THE DECLARATIONS AS APPLICABLE TO INSURING AGREEMENT 1- EMPLOYEE THEFT.

"PMC EMPLOYEE" MEANS THE FOLLOWING NATURAL PERSONS BUT ONLY WHILE THE "PMC" LISTED ABOVE IS APPOINTED IN WRITING TO ACT AS A PROPERTY MANAGER FOR THE "INSURED:"

1. ANY NATURAL PERSON:
 - WHILE IN THE "PMC'S" SERVICE OR FOR 90 DAYS AFTER TERMINATION OF SUCH SERVICE; AND
 - WHOM THE "PMC" COMPENSATES DIRECTLY BY SALARY, WAGES, COMMISSIONS; AND
 - WHOM THE "PMC" HAS THE RIGHT TO DIRECT AND CONTROL WHILE PERFORMING PROPERTY MANAGEMENT SERVICES FOR THE "INSURED."

2. ANY NATURAL PERSON WHO IS LEASED TO THE "PMC" UNDER A WRITTEN AGREEMENT BETWEEN THE "PMC" AND A LABOR LEASING FIRM, TO PERFORM DUTIES RELATED TO THE CONDUCT OF THE "PMC'S" PROPERTY MANAGEMENT ON BEHALF OF THE "INSURED."

3. SECTION V. DEFINITIONS, K. "EMPLOYEE IS AMENDED BY INCLUDING THE FOLLOWING: "EMPLOYEE" ALSO INCLUDES A "PMC EMPLOYEE."

CANCELLATION:

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE:



STATEMENT OF CERTIFICATION
BY THE FEDERAL HOUSING AUTHORITY
Based on California Civil Code
Section 5300

Certification by the Federal Housing Administration may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development IS / **IS NOT** (circle one) a condominium project.

The association of the common interest development IS / **IS NOT** (circle one) certified by the Federal Housing Administration.

FHA does not require approval of a Planned Unit Development (PUD) as a precondition for placing FHA mortgage insurance on a dwelling located in the development.

A Planned Unit Development (PUD) refers to a residential development that contains, within the overall boundary of the subdivision, common areas and facilities owned by a Homeowners' Association (HOA), to which all homeowners must belong and to which they must pay lien-supported assessments. A unit in a PUD consists of the fee title to the real estate represented by the land and the improvements thereon plus the benefits arising from ownership of an interest in the HOA. An Appraiser must contact the Mortgagee if the Property is located in a PUD that does not meet this definition.

STATEMENT OF CERTIFICATION
BY THE DEPARTMENT OF VETERANS AFFAIRS
Based on California Civil Code
Section 5300

Certification by the Federal Department of Veterans Affairs may provide benefits to members of an association, including an improvement in an owner's ability to refinance a mortgage or obtain secondary financing and an increase in the pool of potential buyers of the separate interest.

This common interest development IS / **IS NOT** (circle one) a condominium project.

The association of the common interest development **IS NOT** (circle one) certified by the Federal Department of Veterans Affairs.

There are VA requirements applicable to **all properties** located in either a PUD or condominium. **Condominiums** (but not PUDs) must be **approved** by VA before any lots or units in the project are eligible for VA loan guaranty.

CHARGES FOR DOCUMENTS PROVIDED AS REQUIRED BY SECTION 4525*

The seller may, in accordance with Section 4530 of the Civil Code, provide to the prospective purchaser, at no cost, current copies of any documents specified by Section 4525 that are in the possession of the seller.

A seller may request to purchase some or all of these documents, but shall not be required to purchase ALL of the documents listed on this form.

Property Address

Owner of Property

Owner's Mailing Address (If known or different from property address.)

Provider of the Section 4525 Items:

Print Name _____ Position or Title _____ Association or Agent

Date Form Completed

Check or Complete Applicable Column or Columns Below

Document	Civil Code Section Included	Fee for Document	Not Available (N/A), Not Applicable (N/App), or Directly Provided by Seller and confirmed in writing by Seller as a current document (DP)
Articles of Incorporation or statement that not incorporated	Section 4525(a)(1)	\$35.00	
CC&Rs	Section 4525(a)(1)	\$50.00	
Bylaws	Section 4525(a)(1)	\$35.00	
Operating Rules	Section 4525(a)(1)	\$20.00	
Age restrictions, if any	Section 4525(a)(2)		Included in CCRs

Rental restrictions, if any	Section 4525(a)(9)	\$0.00	
Annual budget report or summary, including reserve study	Sections 5300 and 4525(a)(3)	\$35.00	
Assessment and reserve funding disclosure summary	Sections 5300 and 4525(a)(4)	\$0.00	Included in Budget
Financial statement review	Sections 5305 and 4525(a)(3)	\$35.00	
Assessment enforcement policy	Sections 5310 and 4525(a)(4)		Included in Budget
Insurance summary	Sections 5300 and 4525(a)(3)		Included in Budget
Regular assessment	Section 4525(a)(4)		Included in Budget
Special assessment	Section 4525(a)(4)		Included in Budget
Emergency assessment	Section 4525(a)(4)		Included in Budget
Other unpaid obligations of seller	Sections 5675 and 4525(a)(4)		See Demand
Approved changes to assessments	Sections 5300 and 4525(a)(4), (8)		See Demand or Budget
Settlement notice regarding common area defects	Sections 4525(a)(6), (7), and 6100		N/A
Preliminary list of defects	Sections 4525(a)(6), 6000, and 6100		N/A
Notice(s) of violation	Sections 5855 and 4525(a)(5)		Onsite Office
Required statement of fees	Section 4525	\$225.00	This is the Demand

Minutes of regular board meetings conducted over the previous 12 months, if requested	Section 4525(a)(10)	\$75.00
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Total fees for these documents:

\$510.00

CFM is not paid a referral fee as part of the Escrow transaction.

CFM charges a \$250.00 Transfer Fee at Close of Escrow

* The information provided by this form may not include all fees that may be imposed before the close of escrow. Additional fees that are not related to the requirements of Section 4525 shall be charged separately.

