

Sonnenberg & Company, CPAs

A Professional Corporation

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Leonard C. Sonnenberg, CPA

Mesa View Homeowners Association #2 LEVEL III: UPDATE RESERVE STUDY June 30, 2021

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(These 3 pages should be distributed to owners as part of annual budget package)

RESERVE STUDY REPORT

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Reserve Study Executive Summary

Association Name: Location: No. of Units: Level of Study:

Mesa View Homeowners Association #2

Fiscal Year Ending: June 30, 2021

8550 Lynx Rd., San Diego, CA Built: 1975

Level III: Update with no On-Site Inspection Last Reserve Study with On-Site inspection: June 30, 2019

440

(See Reserve Analysis Workshe	eet, pg. 5, for bre	akdown of all o	components indivi	dual lives, current	costs, and projecte	ed future replacem	ent costs)
Reserve		Estimated	Estimated	Annual	Accumulated	Allocation	Percent
Component	Useful	Remaining	Replacement	Funding	Funding	of Fund	of Fund
Groups	Life	Life	Cost	Requirement	Requirement	Balance	Balance
ROOFING - POOL BUILDING	35 - 35	12 - 12	\$ 5,313	\$ 152	\$ 3,491	\$ 2,252	1.9%
PAINTING	6 - 20	1 - 20	13,950	2,150	8,091	5,218	4.3%
FENCE/GATES	15 - 25	1 - 8	45,869	2,249	34,714	22,386	18.5%
PAVED SURFACES	5 - 20	1 - 1	55,000	3,500	51,500	33,211	27.4%
POOLS	4 - 30	1 - 29	106,341	6,943	24,945	16,086	13.3%
SHADE STRUCTURES	20 - 25	17 - 22	58,800	2,423	7,268	4,687	3.9%
LANDSCAPING/IRRIGATION	4 - 25	1 - 5	36,975	3,763	22,546	14,539	12.0%
LIGHTING/ELECTRICAL	12 - 20	6 - 17	8,080	464	4,000	2,579	2.1%
MISCELLANEOUS	15 - 30	1 - 22	35,000	1,365	22,605	14,577	12.0%
CONTINGENCY (5%)			18,266	1,150	8,958	5,777	4.8%
TOTALS			\$ 383,594	\$ 24,158	\$ 188,118	\$ 121,312	

	CURRENT FISCAL YEAR RESERVE FUNDS	
Current Budgeted Annual Reserve Allocat	ion	\$ 31,000
Reserve Fund Balance as of: December 3	1, 2020	\$ 90,312
Anticipated Funding to Year End	(budgeted reserve allocation is funded at fiscal year-end)	31,000
Anticipated Expenditures to Year End		-
Cash Projected at Year End June 30, 2021		\$ 121,312
Accumulated Funding Requirement (Fully	Funded)	\$ 188,118
Percentage Funded at the end of this Fisca	al Year	64.5%
Accumulated Deficiency for Current Fiscal	Year \$ 66,806 Per Unit	\$ 152
Deferred repair/replacement of any major of	component with a remaining life of 30 years or less?	YES

RESERVE FUNDING OPTIONS FOR TH	E FISCA	L YEAR ENDING: 20	22	
funding options assume a 3% increase, unless otherwise noted	per u	unit per month		per year
Annual Requirement Funding:	\$	4.71	\$	24,883
Current Budgeted Funding:	\$	6.05		31,930
Recommended Funding:	\$	6.05		31,930
Special Assessment/s Recommended?				NO
For funding option details please see Reserve Study Summary page 2				

We present this summary of the repair and replacement funding program of the Association as of June 30, 2021, and the related reserve funding projection for the 30-year period from 2021 to 2051, based on information provided by management and based upon the consultant's estimates of the most probable reserve component replacement costs, conditions, and lives. The annual requirement is based on the cost of each component divided by its total useful life. The accumulated requirement is the annual requirement multiplied by the number of years each component has been in service. The difference between accumulated requirement total and the actual cash balance may indicate a deficit which would be expressed in the percentage funded.

The above information is a condensed summary of the reserve study, in compliance with CA Civil Codes 5300, 5550, and 5600, and is intended to be included in the annual budget package to be provided to owners not less than 30 nor more than 90 days prior to the Association fiscal year end. CACC 5550 requires an on-site inspection every 3 years, and the study to be reviewed annually. Assumptions have been made about costs, conditions, and future events that may occur. Some of these assumptions may not materialize; and unanticipated events and circumstances may occur subsequent to the date of this report. Therefore, the actual replacement costs and lives may vary from this report and the variations may be material.

The compilation of this reserve funding analysis and projection is based on representations of management and the consultant's estimates. We have not audited or reviewed the accompanying analysis and projections and, accordingly, do not express an opinion or any other form of assurance on them. We assume no responsibility to update this report for events occurring after the date of issuance of this report.

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April 9, 2021

Mesa View Homeowners Association #2 Level III: Update with no On-Site Inspection June 30, 2021

Inflation and Interest Earned on Reserves:

As an industry standard, provision has been made in the funding projections for inflation, computed at three percent (3%), and an assumed 1% net interest on the reserve balance has been added to the reserve funds. As costs increase in the future, the annual reserve reports should be revised accordingly.

<u>Reserve Calculations</u>:

Based on estimated current replacement costs of \$383,594 and estimated normal and remaining useful lives as determined by the independent consultant, the annual funding requirement is calculated to be \$24,158.

The accumulated funding requirement is calculated to be \$188,118.

As of June 30, 2021, the Association may have \$121,312 in accounts designated as reserve funds.

Therefore, a deficit of \$66,806 has been calculated, with a funding percentage of 64.5%. A portion of the annual reserve requirement may be provided for in the operating budget.

Industry Standard Measure of Funding Strength:

0% - 30% = WEAK At this level of funding, Special Assessments and deferred maintenance are likely.

31% - 70% = FAIR At this level of funding Special Assessment and deferred maintenance are less likely, but could still pose a concern. Efforts should be taken to increase to a healthier level of funding.

>70% = STRONG At this level of funding the Association should be well covered, with hopefully no need for deferred maintenance or Special Assessments.

Funding Calculations:

There are a variety of methods by which the Association can approach the desired level of funding. The Board is responsible for determining the optimum funding program. We have calculated three options:

Option 1: Annual Requirement Funding: This option assumes that the Association will maintain the annual funding requirement as calculated on page 5, without regard to any funding deficiency.

Currently the annual requirement allocation is \$24,883 or \$5 per unit per month (based on annual funding requirement, plus 3% inflation increase) beginning next fiscal year.

Reserves could be at the Fair level of funding in FY 2021/22, and could reach the Strong level of funding by FY 2029/30.

Overfunding of the reserves could occur beginning FY 2040/41.

Option 2: Current Funding: The current budgeted funding level is projected over the 30-year period, including 3% inflation annual increase, as compared to option 1 and 3.

Currently, with the 3% increase, \$31,930 or \$6 per unit per month will be allocated to reserves next fiscal year.

Reserves are currently at the Fair level of funding, and could reach the Strong level of funding by FY 2024/25.

Overfunding of the reserves could occur beginning FY 2028/29.

Option 3: Recommended Funding: This option is intended to calculate the amount of funding that would be the most sufficient for the Association over the next 30 years. The Current Budgeted Funding, and the Annual Requirement Funding are both taken into consideration while creating a Recommended Funding that is hopefully achievable by the Association. The 3% inflation annual increase is assumed, unless otherwise noted.

Recommended funding is, \$31,930 or \$6 per unit per month.

To avoid overfunding the reserves, no annual increases should be needed in FY's 2022/23 through 2028/29, and the Regular Reserve Allocation could be decreased in FY 2029/30 to equal \$26,000 annually.

The reserves could maintain the current Fair level of funding, and could reach the Strong level of funding beginning FY 2024/25.

Mesa View Homeowners Association #2

Assessment and Reserve Funding Disclosure Summary

June 30, 2021

(1) Regular Assessments -

Assessments to members are averaged at \$21 per unit per month for the year ending June 30, 2021.

* If assessments vary by the size or type of unit, the applicable assessment rates may be found in the Association's accompanying Annual Budget and /or can be provided by the Association/management agent.

(2) **Special Assessments -** Additional assessments that have already been scheduled to be imposed or charged, regardless of the purpose, which have been approved by the Board and/or members:

Date assessment is due:	Amount/ unit/month	Purpose of this assessment is to fund or supplement the replacement costs of:
N/A		

(3) Reserve Account Balances -

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?



No

(4) Additional Assessments -

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 of directors or the members?

(Not applicable, proceed to #5)

(5) Major Components -

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

(6) Current Funding Comparison -

As of the current reserve study or update, the balance in the reserve fund is projected to be \$121,312. Based on the method of calculation in paragraph 4 of subdivision (b) of Section 5570, the estimated accumulated funding requirement is \$188,118. The percentage funded is: 64.5%

(7) Funding over next 5 Budget Years -

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 each of the next five budget years is projected to be:

\$100,871	\$125,754	\$133,120	\$125,118	\$146,060
\$100,671	\$125,754	\$155,120	\$123,110	\$140,000

The projected reserve fund cash balance at the end of each of those years is projected to be, taking into account only assessments already approved and other known revenues, as follows:

	\$43,051	\$76,369	\$92,765	\$94,249	\$125,014
% Funded	42.7%	60.7%	69.7%	75.3%	85.6%

If the recommended reserve funding plan is approved by the Association and implemented, the projected reserve fund cash balance at the end of each of those years would be:

	\$43,051	\$75,411	\$89,853	\$88,347	\$115,045
% Funded	42.7%	60.0%	67.5%	70.6%	78.8%

The law does not require the Association to fund reserves in accordance with these calculations.

The financial representations set forth in this summary are based on best estimates of the consultant at the time. These estimates regarding costs, lives and conditions are subject to change.

An assumed long-term inflation rate to be applied to major component repair and replacement costs was 3% per year. An assumed long-term net interest rate earned on reserve funds is 1% per year.

Per CACC 5550, the Association is required to adopt a reserve funding plan.

April 9, 2021



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Leonard C. Sonnenberg, CPA

April 9, 2021

Mesa View Homeowners Association #2 Level III: Update Reserve Study Report June 30, 2021

Board of Directors and Owners:

We have compiled the accompanying Level III: Update Reserve Study Report of the Mesa View Homeowners Association #2 as of June 30, 2021, the reserve funding projections for the thirty-year period from 2021 through 2051, and the related Reserve Study Summary Sheet and the Assessment and Reserve Funding Disclosure Summary for distribution to owners.

Our report is based on information provided by management and an independent consultant's judgment and estimates, based on circumstances at the time of the inspection, of the most probable reserve component replacement costs, normal and remaining useful lives as described in the accompanying consultant's report.

Assumptions have been made about costs, conditions, and future events and circumstances that may occur. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur subsequent to the date of this report. Therefore, the actual replacement costs and remaining lives may vary from this report and the variations could be material.

This report is designed to help your Association comply with California Civil Code 5300 and should not be used for any other purpose. This study is required to be updated and distributed to each owner-member within 90 days (and not less than 30 days) prior to the beginning of each fiscal year along with the operating budget and a statement regarding assessment collection policies.

We have not audited or reviewed the accompanying analysis and projection and, accordingly, do not express an opinion or any form of assurance on them. We assume no responsibility to update this report for events and circumstances occurring after the date of this report.

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Accountant's Disclaimer, Page 4

June 30, 2021

Major Repairs and Replacements Funding Requirements First Five Year Projection

Consultant's Report:

Accountant's Program:

Consultant's Report:											ant's Pro	gram:					
I	(source	key: C =	 Consultant; 	M = Mar	agement/Board		ctors; V mated		= Actual Cos Accumitd			2021	2022	2023	2024	2025	-
	U	nits	Unit		Replomt		ife:	Funding		In	Deficit	2021	2022	2023	2024	2025	
COMPONENT	Меа	sured	Cost	Srce	Cost	Usfl	Rmg	Reqrmnt	Reqrmnt	Reserves		Disb	Disb	Disb	Disb	Disb	,
												1	2	3	4	5	
ROOFING - POOL BUILDING					sheathing repla					0.050	(4.0.40)						
Tile Underlayment	690 Subtotal	sf	7.70	C/B	\$ 5,313 \$ 5,313	35	12	152	3,491	2,252	(1,240)						
	Subiolai				φ 0,313												
PAINTING	FY '21:	Bench	hes painted	I													
** Exterior Wood - Paint		Total		C/B	\$ 2,050	6	1	342	1,708	1,102	(607)	2,050					
Lanai - Paint/Stain		Total		C/B/A	6,600	6	3	1,100	3,300	2,128	(1,172)			6,996			
 * Interior Surfaces (Restrooms) - Paint * Stucco (Pool Bldg Exterior) - Paint 	160 870		Total Total	C/B C/B	225 1,375	10 20	10 20	23 69	-	-	-						
Wood Fence @ Pool/Park - Paint					iencing (per B)		20	69	-	-	-						
Wrought Iron Pool Fence & Gates - Paint	2.114		1.75	C/B	3,700	, 6	1	617	3,083	1,988	(1,095)	3,700					
	Subtotal				\$ 13,950			• · · ·	-,	.,	(,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	-,					
FENCE/GATES		- · ·		C (5	A 10 - 17 -	<i></i>			44.00-		(4.4.40)	40 500					
Electronic Card Reader/Gate Opener System Panic Hardware @ Pool Gates	2	Total ea	1,000.00	C/B C/B	\$ 12,500 2,000	15 20	1 1	833 100	11,667 1,900	7,524 1,225	(4,143)	12,500 2,000					
Wood Fence - 6ft	2 175		35.00	C/B	6,125	20	7	306	3,981	2,567	(675) (1,414)	2,000					
Metal Pool Fence - 7ft	302		72.00	C/B	21,744	25	8	870	14,786	9,535	(5,251)						
Metal Gates	2		1,750.00	C/B	3,500	25	8	140	2,380	1,535	(845)						
	Subtotal				\$ 45,869	-											
PAVED SURFACES I Concrete Paving		Allowan		C/B	\$ 5,000	5	1	1,000	4,000	2,579	(1,421)	5,000					
					be repairing, a				,	,		,					
Pool Concrete Deck - Repair		Total		B/C	50,000			2,500	47,500	30,632	(16,868)						
	Subtotal				\$ 55,000	-											
BBBBBBBBBBBBB																	
POOLS Chlorinator System Automated - Large Pool	2	ea	3,200.00	C/B	\$ 6.400	10	3	640	4.480	2,889	(1,591)			6,784			
Chlorinator System Automated - Wade Pool	1		3,200.00	C/B	\$ 0,400 3,200	10	6	320	1,280	825	(455)			0,704			
Coping Tiles - Large Pool	241		34.00	C/B	8,194	30	29	273	273	176	(97)						
Coping Tiles - Wade Pool	82		34.00	C/B	2,788	30	29	93	93	60	(33)						
Decoseal Joint Caulk - Large Pool	241		5.00	C/B/A	1,205	4	3	301	301	194	(107)			1,277			
Decoseal Joint Caulk - Wade Pool	82		5.00	C/B/A	410	4	3	103	103	66	(36)			435			
Decoseal Joint Caulk - Concrete Decking Filter - Large Pool	150 2		5.00 1,500.00	C/B C/B	750 3,000	4 15	1 1	188 200	563 2,800	363 1,806	(200) (994)	750 3,000				84	10
Filter - Large Pool	2		1,500.00	C/B	3,000	15	9	200	1,200	774	(426)	3,000					
I Filter - Wade Pool	- 1		1,300.00	C/B	1,300	15	1	87	1,213	782	(431)	1,300					
Pump/Motor - Variable Motors	3	ea	2,200.00	C/B	6,600	12	1	550	6,050	3,901	(2,149)	6,600					
Pump/Motor - One Speed Motor	1	ea	1,000.00	C/B	1,000	10	3	100	700	451	(249)			1,060			
Resurface/Retile - Large Pool		Total		C/B/A	45,365	20	19	2,268	2,268	1,463	(806)						
Resurface/Retile - Wade Pool		Total		C/B/A	3,844	20	19	192	192	124	(68)						
Solar Heater	EV '20	Total Both		C/B	15,000 cmpliance wor	15 k perf	12 formed	1,000 that includ	3,000	1,935 s not limite	(1,065)						
	11 20.		al Handrails			k ben	onneo		eu (but wa	s not minte	u 10j.						
			n Drains Sp														
			mit Fees fo														
		- Dep			e/Step Trim Ti						<i></i>						
Large Pool Peripherals (Code Compliance, Handrails, Lig			Allowance		2,850	10	9	285	285	184	(101)						
Small Pool Peripherals (Code Compliance, Handrails, Lig	Subtotal		Allowance	0/В/А	1,435 \$ 106,341	10	9	144	144	93	(51)						
	Gubiotai				φ 100,041												
SHADE STRUCTURES																	
Lanai - Major Repair/Replace		Total		C/B/A	. ,		22	2,070	6,210	4,005	(2,205)						
Wading Pool Shade Structure	Quility 1-1	Total		C/B/A	7,050	20	17	353	1,058	682	(376)						
	Subtotal				\$ 58,800			I									

June 30, 2021

Major Repairs and Replacements Funding Requirements First Five Year Projection

Consultant's Report:

Accountant's Program:

	(sou	irce key: C = C	Consultant;	M = Manag	jement/Board o					,						
					Current		nated		Accumitd	Cash		2021	2022	2023	2024	2025
COMPONENT		Units	Unit	0	Replcmt		fe:			In	Deficit	2022	2023	2024	2025	2026
COMPONENT	N	leasured	Cost	Srce	Cost	Usti	Rmg	Reqrmnt	Reqrmnt	Reserves		Disb	Disb 2	Disb 3	Disb 4	Disb 5
												1	2	5	4	5
LANDSCAPING/IRRIGATION																
Backflow Valve		1 ea	1,750.00	C/B S	\$ 1,750	25	1	70	1,680	1,083	(597)	1,750				
Irrigation Control Valves		Allowance	e	C/B	775	10	3	78	543	350	(193)			822		
Landscaping/Irrigation Renovation		Allowance	e	C/B	30,000	10	4	3,000	18,000	11,608	(6,392)				32,700	
Irrigation Timers		Allowance	e	C/B	1,000	10	5	100	500	322	(178)					1,120
Tree Trim		Allowance	e	C/B	950	4	1	238	713	459	(253)	950				1,064
Tree Removal		Allowance	е	C/B	2,500	9	5	278	1,111	717	(395)					2,800
	Subtotal			3	36,975											
LIGHTING/ELECTRICAL																
Post Lights		8 ea	695.00	C/B	5,560	20	6	278	3,892	2,510	(1,382)					
Lanai Lighting		4 ea	180.00	C/B	720	20	17	36	108	2,010	(1,002)					
Eanar Eighning	FY				; 3 Security I						· · ·					
 Misc. Lighting & Electrical 		Allowance		C/B	1,800	12	12	150	-	-	-					
	Subtotal	,			,			100								
MISCELLANEOUS																
Ceramic Tile Shower		1 ea	Total	C/B S	3,500	30	22	117	933	602	(331)					
Restroom Remodel			Total	C/B	10,000	30	22	333	2,667	1,720	(947)					
Storage Shed		Total	lotai	C/B	3,500	25	8	140	2,380	1,535	(845)					
Water Heater			1,500.00	C/B	1,500	15	7	100	800	516	(284)					
Misc Plumbing		Allowance	,	C	15,000	25	1	600	14,400	9,286	(5,114)	15,000				
Benches, Custom		3 ea	500.00	C/B	1,500	20	1	75	1.425	919	(506)	1,500				
	Subtotal	5 64	500.00	0/0		20		10	1,420	515	(500)	1,500				
CONTINGENCY (5%)					18,266			1,150	8,958	5,777	(3,181)	5,305	-	869	1,635	291
TOTALS				Ś	\$ 383,594			24,158	188,118	121,312	(66,806)	111,404	-	18,242	34,335	6,115
			Accumula	ated Fund	ling Require	ment -	>		188,118			100,871	125,754	133,120	125,118	146,060

! Repair/replacement deferred by Board of Directors

* Components repaired/replaced since previous study

** Components with lives extended; partial repair/replacement since previous study per (M)

Prepared by Sonnenberg & Company CPAs

Reserve Analysis Worksheets, Page 5

Major Repairs and Replacements Funding Requirements Following Six to Thirty Year Projection

	Estim Usfl/R	Remg	2026 2027 Dich	2027 2028 Dich	2028 2029 Dich	2029 2030 Dich	2030 2031 Dish	2031 2032 Dich	2032 2033 Dich	2033 2034 Dish	2034 2035 Dich	2035 2036 Dish	2036 2037 Dich	2037 2038 Dich	2038 2039 Dich	2039 2040 Dich	2040 2041 Dish	2045 2046 Dich	2050 2051 Dich
COMPONENT	Lif	le	Disb 6	Disb 7	Disb 8	Disb 9	Disb 10	Disb 11	Disb 12	Disb 13	Disb 14	Disb 15	Disb 16	Disb 17	Disb 18	Disb 19	Disb 20	Disb 25	Disb 30
ROOFING - POOL BUILDING Tile Underlayment	35	12	Ū	ï	0	5	10		7,066	15	14	15	10		10	15	20	20	50
PAINTING																			
Exterior Wood - Paint	6	1		2,419						2,788						3,157		3,526	
Lanai - Paint/Stain	6	3				8,184						9,372							
Interior Surfaces (Restrooms) - Paint	10	10					286										353		42
Stucco (Pool Bldg Exterior) - Paint	20	20															2,159		
Wood Fence @ Pool/Park - Paint	-																		
Wrought Iron Pool Fence & Gates - Paint	6	1		4,365						5,031						5,697		6,363	
FENCE/GATES																			
Electronic Card Reader/Gate Opener Syster	15	1											18,125						
Panic Hardware @ Pool Gates	20	1																	
Wood Fence - 6ft	20	7		7,228															
Metal Pool Fence - 7ft	25	8			26,310														
Metal Gates	25	8			4,235														
PAVED SURFACES																			
Concrete Paving	5	1	5,750					6,500					7,250						
Pool Concrete Deck - Repair	20	1																	
POOLS																			
Chlorinator System Automated - Large Pool	10	3								8,704									
Chlorinator System Automated - Wade Pool		6	3,680										4,640						
Coping Tiles - Large Pool	30	29																	
Coping Tiles - Wade Pool	30	29																	
Decoseal Joint Caulk - Large Pool	4	3		1,422				1,567				1,711				1,856			
Decoseal Joint Caulk - Wade Pool	4	3		484				533				582				631			
Decoseal Joint Caulk - Concrete Decking	4	1				930				1,020				1,110				1,290	
Filter - Large Pool	15	1				0 700							4,350						
Filter - Large Pool	15	9				3,720							4 005						
Filter - Wade Pool	15	1 1								0.070			1,885					44.050	
Pump/Motor - Variable Motors Pump/Motor - One Speed Motor	12 10	3								8,976 1,360								11,352	
										1,300						00.000			
Resurface/Retile - Large Pool	20	19														69,862			
Resurface/Retile - Wade Pool Solar Heater	20	19							40.050							5,920			
	15	12							19,950										
Large Pool Peripherals (Code Compliance,	10	9				3,534										4,389			
Small Pool Peripherals (Code Compliance,	10	9				1,779										2,210			
SHADE STRUCTURES																			
Lanai - Major Repair/Replace	25	22																	
Wading Pool Shade Structure	20	17												10,434					
														10,434					

Major Repairs and Replacements Funding Requirements Following Six to Thirty Year Projection

	Estima		2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2045	2050
	Usfl/R	•	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2046	2051
COMPONENT	Life	e	Disb																
			6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	25	30
LANDSCAPING/IRRIGATION																			
Backflow Valve	25	1																	
Irrigation Control Valves	10	3								1,054									
Landscaping/Irrigation Renovation	10	4									41,700								
Irrigation Timers	10	5										1,420						1,720	
Tree Trim	4	1				1,178				1,292		, -		1,406				1,634	
Tree Removal	9	5				.,				.,202	3,475			1,100				1,001	
	0	Ū									0,110								
LIGHTING/ELECTRICAL																			
Post Lights	20	6	6,394																
Lanai Lighting	20	17	0,004											1,066					
Lanar Lighting	20													1,000					
Misc. Lighting & Electrical	12	12							2,394										
MISCELLANEOUS																			
Ceramic Tile Shower	30	22																	
Restroom Remodel	30	22																	
Storage Shed	25	8			4,235														
Water Heater	15	7		1,770	1,200														
Misc Plumbing	25	1		1,770															
Benches, Custom	20	1																	
Dencies, Custom	20																		
CONTINGENCY (5%)			791	884	1,739	966	14	430	1,471	1,511	2,259	654	1,813	701	-	4,686	126	1,294	21
TOTALS			16,615	18,572	36,519	20,292	300	9,029	30,881	31,737	47,434	13,740	38,063	14,716	-	98,408	2,638	27,179	442
Accumulated Funding Requirement ->			157,226	167,161	159,873	169,538	199,919	222,295	223,545	224,663	210,810	231,375	228,342	249,380	285,859	224,654	259,945	123,638	198,150

Prepared by Sonnenberg & Company CPAs

See Accountant's Letter and the Accompanying Notes and Assumptions

Reserve Analysis Worksheets, Page 6

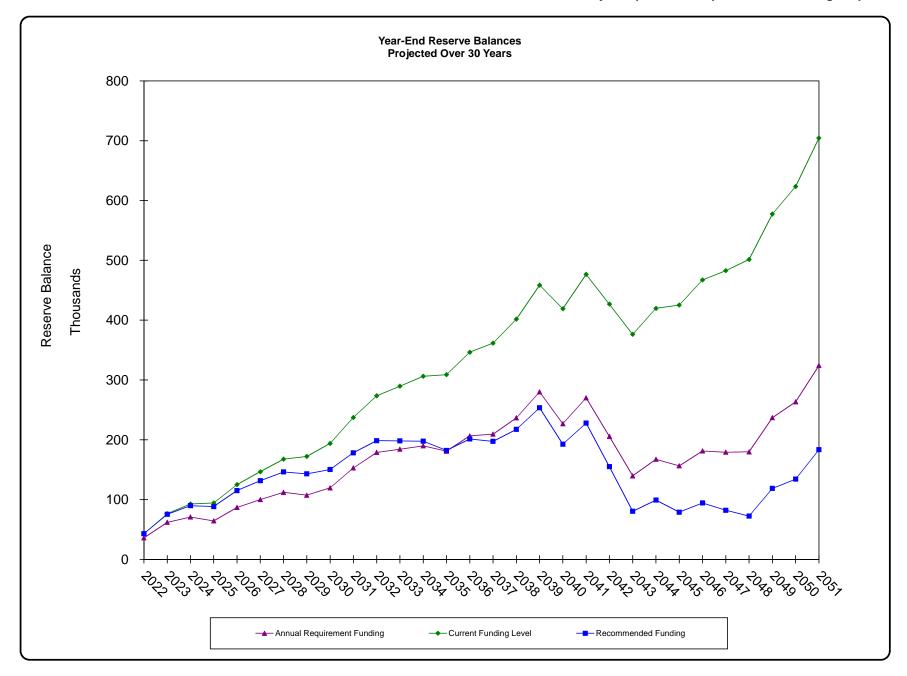
June 30, 2021

30-Year Cash Projections:

Fiscal Year Ended> Number of Years>	2021 2022 1	2022 2023 2	2023 2024 3	2024 2025 4	2025 2026 5	2026 2027 6	2027 2028 7	2028 2029 8	2029 2030 9	2030 2031 10	2031 2032 11	2032 2033 12	2033 2034 13	2034 2035 14	2035 2036 15	2040 2041 20	2045 2046 25	2050 2051 30
Option 1 - Annual Requirement F occur beginning FY 2040/41.	unding: Re	eserves co	uld be at t	he Fair lev	el of fundi	ng in FY 20)21/22, and	could reach	the Strong	level of fu	nding by F	(2029/30. O	verfunding o	of the reserve	es could			
Reserve Allocation - Unit/Mth Beginning Cash	4.71 121312	4.85	5.00	5.15	5.30	5.46	5.63	5.80	5.97	6.15	6.33	6.52	6.72	6.92	7.13	8.26	9.58	11.11
Annual Funding w/3% incrs (includes 3% annual increase)	24883	25629	26398	27190	28006	28846	29712	30603	31521	32467	33441	34444	35477	36542	37638	43632	50582	58638
Net Interest On Balance (1%)	1213	360	620	708	643	869	1000	1121	1073	1196	1530	1789	1843	1899	1809	2269	1564	2634
Annual Disbursements	111404	0	18242	34335	6115	16615	18572	36519	20292	300	9029	30881	31737	47434	13740	2638	27179	442
Ending Cash Reserve - Option 1	36004	61993	70770	64333	86867	99966	112106	107310	119613	152976	178917	184269	189852	180858	206565	270155	181326	324214
Option 2 - Current Budgeted Fun beginning FY 2028/29.	ding: Rese	erves are c	urrently at	the Fair le	evel of fund	ding, and c	ould reach	the Strong I	evel of fund	ling by FY	2024/25. O	verfunding o	f the reserve	es could occ	ur			
Reserve Allocation - Unit/Mth Beginning Cash	6.05 121312	6.23	6.42	6.61	6.81	7.01	7.22	7.44	7.66	7.89	8.13	8.37	8.62	8.88	9.15	10.60	12.29	14.25
Current Funding w/3% incrs (includes 3% annual increase)	31930	32888	33875	34891	35937	37016	38126	39270	40448	41661	42911	44199	45525	46890	48297	55989	64907	75245
Net Interest On Balance (1%)	1213	431	764	928	942	1250	1467	1677	1721	1940	2373	2735	2896	3063	3088	4191	4252	6235
Annual Disbursements	111404	0	18242	34335	6115	16615	18572	36519	20292	300	9029	30881	31737	47434	13740	2638	27179	442
Ending Cash Reserve - Option 2	43051	76369	92765	94249	125014	146664	167685	172112	193990	237291	273546	289599	306283	308802	346448	476604	467204	704546
Option 3 - Recommended Fundin decreased in FY 2029/30 to equal	•		•	,						•	,	•			e			
Reserve Allocation - Unit/Mth	6.05	6.05	6.05	6.05	6.05	6.05	6.05	6.05	4.92	5.07	5.22	5.38	5.54	5.71	5.88	6.82	7.90	9.16

Reserve Allocation - Unit/Mth	6.05	6.05	6.05	6.05	6.05	6.05	6.05	6.05	4.92	5.07	5.22	5.38	5.54	5.71	5.88	6.82	7.90	9.16
Beginning Cash	121312								DECREASE									
Recommended Funding	31930	31930	31930	31930	31930	31930	31930	31930	26000	26780	27583	28411	29263	30141	31045	35990	41722	48368
(inclds 3% annl incrs unless noted)	-		(no ann in	crs in FY's	s 22/23 - 28	/29)												
Net Interest On Balance (1%)	1213	431	754	899	883	1150	1315	1462	1431	1502	1782	1985	1980	1975	1822	1926	790	1341
Annual Disbursements	111404	0	18242	34335	6115	16615	18572	36519	20292	300	9029	30881	31737	47434	13740	2638	27179	442
Ending Cash Reserve - Option 3	43051	75411	89853	88347	115045	131510	146184	143056	150195	178177	198513	198028	197535	182217	201345	227912	94318	183370
																otal Replacer I Funding to C		905282 20%
															,			

Percent of Accumulated Reserve Requirement Funded:	64.5%
Cash at End of Fiscal Year:	
Cash at December 31, 2020	90,312
Monthly Allocations through Year End	31,000
Anticipated Expenditures through Year End	-
Cash Projected at Year End June 30, 2021	121,312



Mesa View Homeowners Association #2

Notes and Assumptions June 30, 2021

Note A Key to Reserve Funding Program:

These definitions correspond to the column headings on the Major Repair and Replacement Funding

Consultant's Estimate Section, page 5:

Component - Each major repair or replacement item considered by the Board of Directors and Consultant to require reserve funding.

Units Measured - The quantity in terms of area or item count as determined by actual measure, bids/invoices, DRE budget or other sources.

Unit Cost - The current replacement cost per unit of measure.

Source - Indicates where data was derived. C = Consultant's database/previous study; M = Management or Board of Directors information; V = Vendor (pool/landscape/roofer/elevator/etc) information; A = Actual cost; NA = No Access or data Not Available.

Condition - The physical condition from the consultant's visual inspection and other sources. Code: N = New or nearly new, G = Good, F = Fair, P = Poor condition, needs to be replaced soon.

Current Replacement Cost - The present cost of repairing or replacing the reserve components as estimated by the independent consultant or current bids/invoices. However, replacement costs will inevitably increase.

Estimated Useful Life - The estimated life of reserve components when they were new, and prior to any aging process.

Estimated Remaining Life - The remaining useful life for reserve components. As per CC 5550 only components with remaining lives of 30 years or less are included here. Repair, replacement or refurbishment will be necessary at the end of the component's remaining life.

Funding Projection Section - pages 5-6:

Annual Funding Requirement - This is the amount that should be set aside annually, exclusive of any reserve deficit or inflation, and is the method established by CC 5550. This requirement is computed by dividing the current replacement cost by the estimated useful life.

Accumulated Funding Requirement - This is the amount of reserve savings which should be on hand, according to the consultant's current replacement cost estimates, as of the date of this reserve report. This amount is computed by multiplying the difference between the estimated useful and remaining life times the annual reserve requirement.

Mesa View Homeowners Association #2

Notes and Assumptions June 30, 2021

Funding Projection Section - pages 5-6 (continued):

Cash in Reserves - The amount of actual reserve savings on hand that have been accumulated for replacement of reserve components.

Deficit - That amount which is computed by subtracting the accumulated reserve requirement from the amount of cash on hand. This is the combined shortage, if any, of reserve savings for all of the reserve components. The opposite would be a Surplus.

Cost Projections by Year - The amounts of the estimated future replacement cost cash expenditures projected for each year. Some major repair expenditures may be spread over two or three years. Five years disbursements are shown on page 5 and the following 25 years are shown on pages 6.

30-year Cash Projections, page 7:

With every funding plan the projections start with the current reserve cash balance, and include the annual disbursements as projected on pages 5 through 6. All funding amounts are increased for inflation at three percent (3%) per year.

Option 1 - Annual Funding - This funding plan is to set aside the specific minimum amount of reserves required by CC 5550. These annual amounts are computed on page 5 and inserted as annual contributions to the reserves into the cash projections (adjusted for inflation). Any funding deficit is not considered in this method.

Option 2 - Current Budgeted Funding - As a comparison to Options 1 and 3, this option represents the *current* reserve budget projected over thirty years using an inflation factor of three percent (3%) per year.

Option 3 - Recommended Funding - This funding goal is to keep the year-end balance above zero during the 30-year cash projection while maintaining a reasonable contribution rate. First this funding option is calculated so that there is no deficit in the projected 30-year reserve balance. Then to create sufficient funding for the Association over the next 30 years, contributions in years 2 through 30 may be raised or lowered, and/or special assessments may be levied.