

Sonnenberg & Company, CPAs

A Professional Corporation







Leonard C. Sonnenberg, CPA

Mesa View Homeowners Association No. 2 LEVEL III: UPDATE RESERVE STUDY June 30, 2024

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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: Mesa View Homeowners Association No. 2

Location: 8550 Lynx Rd, San Diego, CA Fiscal Year Ending: June 30, 2024

No. of Units: 440 Built: 1975
Level of Study: Level III: Update with no On-Site Inspection

Last Reserve Study with On-Site inspection: June 30, 2022

	CURRENT FISC	CAL YEAR EN	ND SUMMARY	OF RESERVE C	OMPONENTS		
(See Reserve Analysis Worksh				dual lives, current			
Reserve	Estimated	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	9 - 9	\$ 5,865	\$ 168	\$ 4,357	\$ 2,406	2.7%
PAINTING	6 - 20	1 - 17	16,342	2,445	11,161	6,163	6.9%
FENCE/GATES	12 - 25	4 - 18	64,573	3,565	30,363	16,766	18.9%
PAVED SURFACES	7 - 15	1 - 14	51,804	3,858	7,646	4,222	4.8%
POOLS	4 - 30	1 - 26	115,210	7,899	43,466	24,001	27.0%
SHADE STRUCTURES	20 - 25	14 - 19	66,372	2,731	16,384	9,047	10.2%
LANDSCAPING/IRRIGATION	4 - 25	1 - 10	39,273	3,956	6,270	3,462	3.9%
LIGHTING/ELECTRICAL	12 - 20	1 - 14	8,014	464	5,756	3,179	3.6%
MISCELLANEOUS	18 - 30	1 - 19	38,747	1,508	27,735	15,315	17.2%
CONTINGENCY (5%)			20,310	1,330	7,657	4,228	4.8%
TOTALS			\$ 426,510	\$ 27,924	\$ 160,795	\$ 88,788	

CURRENT FISCAL YEAR R	ESERVE FUNDS			
Current Budgeted Annual Reserve Allocation				\$ 20,000
Reserve Fund Balance as of: January 31, 2024				\$ 84,855
Anticipated Funding to Year End				10,000
To be Transferred from Reserves by Year End				(6,067)
Anticipated Expenditures to Year End				-
Cash Projected at Year End June 30, 2024				\$ 88,788
Accumulated Funding Requirement (Fully Funded)				\$ 160,795
Percentage Funded at the end of this Fiscal Year				55.2%
Accumulated Deficiency for Current Fiscal Year	\$	72,007	Per Unit	\$ 164
Deferred repair/replacement of any major component with a remaining I	ife of 30 years or less	?		NO

per u	init per month		per year
ро. с	ant por month		po. you
\$	5.45	\$	28,761
\$	3.90		20,600
\$	4.17		22,000
			NO
	per u \$ \$ \$	\$ 3.90	\$ 5.45 \$ \$ 3.90

We present this summary of the repair and replacement funding program of the Association as of June 30, 2024, and the related reserve funding projection for the 30-year period from 2024 to 2054, 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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February 26, 2024

Mesa View Homeowners Association No. 2 Level III: Update with no On-Site Inspection June 30, 2024

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.

Reserve Calculations:

Based on estimated current replacement costs of \$426,510 and estimated normal and remaining useful lives as determined by the independent consultant, the annual funding requirement is calculated to be \$27,924.

The accumulated funding requirement is calculated to be \$160,795.

As of June 30, 2024, the Association may have \$88,788 in accounts designated as reserve funds.

Therefore, a deficit of \$72,007 has been calculated, with a funding percentage of 55.2%. 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 \$28,761 or \$5 per unit per month (based on annual funding requirement, plus 3% inflation increase) beginning next fiscal year.

Fair level of funding in FY 2024/25.

Funding could reach the Strong level beginning FY 2030/31, future overfunding is likely.

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, \$20,600 or \$4 per unit per month will be allocated to reserves next fiscal year.

Reserves are currently funded at the Fair level of funding.

Reserves could fall to the Weak level of funding by FY 2037/38 and deficits could occur beginning FY 2039/40.

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, \$22,000 or \$4 per unit per month.

To avoid deficits which could occur beginning FY 2039/40 and to bring reserves up to a stronger level of funding, the regular reserve allocation could be increased 10% annually in FY's 2024/25 through 2028/29.

To avoid possible future overfunding, the regular reserve allocation could be decreased to equal \$42,000 annually in FY 2043/44.

Reserves could maintain the Fair level of funding and could reach and maintain the Strong level of funding beginning FY 2032/33.

Mesa View Homeowners Association No. 2

Assessment and Reserve Funding Disclosure Summary
June 30, 2024

(1) Regular Assessments -

Assessments to members are averaged at \$160 per unit twice annually for the year ending June 30, 2024.

- * 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?

Yes No X

(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?

Recommended Funding: To avoid deficits which could occur beginning FY 2039/40 and to bring reserves up to a stronger level of funding, the regular reserve allocation could be increased 10% annually in FY's 2024/25 through 2028/29. To avoid possible future overfunding, the regular reserve allocation could be decreased to equal \$42,000 annually in FY 2043/44. Reserves could maintain the Fair level of funding and could reach and maintain the Strong level of funding beginning FY 2032/33.

(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 \$88,788. Based on the method of calculation in paragraph 4 of subdivision (b) of Section 5570, the estimated accumulated funding requirement is \$160,795. The percentage funded is: 55.2%

(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:

\$128,362 \$140,412 \$163,637 \$186,463 \$178,704

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:

\$49,919 \$54,925 \$70,954 \$86,563 \$71,581 % Funded 38.9% 39.1% 43.4% 46.4% 40.1%

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:

\$51,319 \$59,321 \$80,160 \$102,633 \$96,835 % Funded 40.0% 42.2% 49.0% 55.0% 54.2%

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.

February 26, 2024



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Leonard C. Sonnenberg, CPA

February 26, 2024

Mesa View Homeowners Association No. 2 Level III: Update Reserve Study Report June 30, 2024

Board of Directors and Owners:

We have compiled the accompanying Level III: Update Reserve Study Report of the Mesa View Homeowners Association No. 2 as of June 30, 2024, the reserve funding projections for the thirty-year period from 2024 through 2054, 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

Consultant's Report:

Accountant's Program:

(source key: C -	Concultant: N	1 —	Management/Board	of Directore	٧/ -	- Vandor	$\Delta = \Delta ctus$	I Coet)

	(Source	Rey. O = O	onsultant; M = Mana	gernent be													
COMPONENT	r	Units Measured	Unit Cost	Srce	R	Current epicmt Cost	Lit	nated fe: Rmg	Annual Funding Reqrmnt	Accumitd Funding Reqrmnt	Cash In Reserves	Deficit	2024 2025 Disb	2025 2026 Disb	2026 2027 Disb	2027 2028 Disb	2028 2029 Disb
													1	2	3	4	5
ROOFING - POOL BUILDING																	
Tile Underlayment	6:	90 sf	8.50	C/B	<u>\$</u> \$	5,865	35	9	168	4,357	2,406	(1,951)					
	Subtotal				\$	5,865											
PAINTING																	
Exterior Wood - Paint		Tot	al	C/B	\$	2,280	6	3	380	1.140	629	(511)			2,417		
Lanai - Paint/Stain		Tot		C/B/A	Ф	7,426	6	1	1.238	6.188	3,417	(2,771)	7,426		2,417		
	10			C/B/A C/B		464	10	7	1,236	139	3,417 77		7,420				
Interior Surfaces (Restrooms) - Paint Stucco (Pool Bldg Exterior) - Paint	8:			C/B C/B		2,122	20	17			176	(62) (143)					
Wood Fence @ Pool/Park - Paint			f painting wood fe		- D\	2,122	20	17	106	318	176	(143)					
	2.1				1 D)	4.050	6	4	675	2 275	1 064	(4 544)	4.050				
Wrought Iron Pool Fence & Gates - Paint	,	14 SI	1.92	C/B	Ф.	4,050	6	1	675	3,375	1,864	(1,511)	4,050				
	Subtotal				\$	16,342											
FENCE/GATES																	
Electronic Card Reader/Gate Openr System		Tot	al	B/V	\$	13,261	15	14	884	884	488	(396)					
			Cost for Wes			-, -						(/					
Panic Hardware @ Pool Gates		2 ea	2,122.00	C/B		4,244	20	18	212	424	234	(190)					
Security Camera System		Tot	al	B/C		12,000	12	11	1,000	1,000	552	(448)					
, ,			Added two n	ew came	ras, ind	creased lif	e		,	•		` ,					
Wood Fence - 6ft	1	75 If	38.00	C/B	,	6,650	20	4	333	5,320	2,938	(2,382)				7,249	
Metal Pool Fence - 7ft)2 If		C/B		23,858	25	5	954	19,086	10,539	(8,547)				- ,=	26,721
Metal Pedestrian Gates		2 ea		C/B		4,560	25	5	182	3,648	2,014	(1,634)					5,107
motal i daddinan datad	Subtotal	_ 00	2,200.00	0,2	\$	64,573		ŭ	.02	0,010	2,0	(1,001)					0,.0.
					·	,- ,-											
PAVED SURFACES																	
Concrete Paving		Allowa	ance	C/B	\$	5,304	7	1	758	4,546	2,510	(2,036)	5,304				
Pool Concrete Deck - Repair		Tot	al	B/V		46,500	15	14	3,100	3,100	1,712	(1,388)					
·	Subtotal				\$	51,804											
POOLS																	
Chlorinator System Automated - Large Pool		2 ea		C/B	\$	6,894	10	1	689	6,205	3,426	(2,779)	6,894				
Chlorinator System Automated - Wade Pool		1 ea	,	C/B		3,447	10	3	345	2,413	1,332	(1,081)			3,654		
Coping Tiles - Large Pool		41 If	36.00	C/B		8,676	30	26	289	1,157	639	(518)					
Coping Tiles - Wade Pool		32 If	36.00	C/B		2,952	30	26	98	394	217	(176)					
Decoseal Joint Caulk - Large Pool	2	41 If	10.00	C/B/A		2,410	4	2	603	1,205	665	(540)		2,482			
Decoseal Joint Caulk - Wade Pool		32 If	10.00	C/B/A		820	4	2	205	410	226	(184)		845			
Decoseal Joint Caulk - Concrete Decking	1:	50 If	10.00	C/B		1,500	4	2	375	750	414	(336)		1,545			
Filter - Large Pool		2 ea	1,591.00	C/B		3,182	18	1	177	3,005	1,659	(1,346)	3,182				
Filter - Large Pool		2 ea	1,591.00	C/B		3,182	15	6	212	1,909	1,054	(855)					
Filter - Wade Pool		1 ea	a 143.00	C/B		143	18	1	8	135	75	(60)	143				
Pump/Motor - Variable Motors		3 ea	2,333.00	C/B		6,999	12	2	583	5,833	3,221	(2,612)		7,209			
Pump/Motor - One Speed Motor		1 ea	1,273.00	C/B		1,273	10	1	127	1,146	633	(513)	1,273				
Resurface/Retile - Large Pool		Tot	al	C/B/A		48,801	20	16	2,440	9,760	5,389	(4,371)					
Resurface/Retile - Wade Pool		Tot	al	C/B/A		4,138	20	16	207	828	457	(371)					
Solar Heater		Tot		C/B		16,178	15	9	1,079	6,471	3,573	(2,898)					
Large Pool Peripherals (Code Compliance, Handrails,	Liahts, Skimmers, I	Etc.)	Allowance	C/B/A		3,077	10	6	308	1,231	680	(551)					
Small Pool Peripherals (Code Compliance, Handrails,	•	,	Allowance	C/B/A		1,538	10	6	154	615	340	(275)					
The state of the s	Subtotal	,			\$	115,210	. •	_		0.0	0.0	(=. 0)					
					*	- ,= - 9											
SHADE STRUCTURES																	
SHADE STRUCTURES																	
Lanai (Wood) - Major Repair/Replace		Tot	al	C/B/A	\$	58,787	25	19	2,351	14,109	7,791	(6,318)					
		Tot Tot		C/B/A C/B/A	\$	58,787 7,585	25 20	19 14	2,351 379	14,109 2,276	7,791 1,256	(6,318) (1,019)					

Consultant's Report:

Accountant's Program:

(source key: C = Consultant: M = Management/Board of Directors: V = Vendor: A = Actual Cost)

		source key: C = Cons	sultant; M = Mana	agement/Bo	ard of Dir	rectors; V :	= Vend	or; A =	Actual Cost)								
						ırrent		nated	Annual	Accumitd	Cash		2024	2025	2026	2027	2028
		Units	Unit			plcmt		fe:	Funding	Funding	In	Deficit	2025	2026	2027	2028	2029
COMPONENT		Measured	Cost	Srce		Cost	Usfl	Rmg	Reqrmnt	Reqrmnt	Reserves		Disb	Disb	Disb	Disb	Disb
													1	2	3	4	5
LANDSCAPING/IRRIGATION																	
Backflow Valve		1 ea	2,662.00	C/B	\$	2,662	25	1	106	2,556	1,411	(1,144)	2,662				
	ı	Moved Irrigation Va	alves into Land	dscaping	Renovat	tion											
Landscaping/Irrigation Renovation		Allowanc	е	C/B		31,827	10	10	3,183	-	-	-					
	,	Work was done for	\$14,840 which	h included	d sprinkl	lers upgr	ade, i	rrigatio	on valves(8),	and controll	er upgrades	increased li	ife				
Irrigation Timers		Allowanc	е	C/B	-	1,061	10	2	106	849	469	(380)		1,093			
Tree Trim		Allowanc	е	C/B		1,061	4	1	265	796	439	(356)	1,061				1,188
Tree Removal/Replacement		Allowanc	е	C/B		2,662	9	2	296	2,070	1,143	(927)		2,742			
	Subtotal				\$	39,273	.'										
LIGHTING/ELECTRICAL																	
Post Lights		8 ea	Allowance	C/B	\$	5,304	20	1	265	5,039	2,782	(2,256)	5,304				
Lanai Lighting		4 ea	200.00	C/B		800	20	14	40	240	133	(107)					
Misc. Lighting & Electrical		Allowanc	е	C/B		1,910	12	9	159	478	264	(214)					
	Subtotal				\$	8,014	•										
MISCELLANEOUS																	
Ceramic Tile Shower		1 ea	Total	C/B	\$	4,244	30	19	141	1,556	859	(697)					
Restroom Remodel		2 ea	Total	C/B		10,606	30	19	354	3,889	2,147	(1,742)					
Storage Shed		Total		C/B		3,713	25	5	149	2,970	1,640	(1,330)					4,159
Water Heater		1 ea	2,652.00	C/B		2,652	18	1	147	2,505	1,383	(1,122)	2,652				
Misc Plumbing		Allowanc	е	С		15,941	25	1	638	15,303	8,450	(6,853)	15,941				
Benches, Custom		3 ea	Allowance	C/B		1,591	20	1	80	1,511	835	(677)	1,591				
	Subtotal				\$	38,747											
CONTINGENCY (5%)						20,310			1,330	7,657	4,228	(3,429)	2,874	796	304	362	1,859
TOTALS					\$ 4	426,510			27,924	160,795	88,788	(72,007)	60,357	16,711	6,374	7,611	39,034

Accumulated Funding Requirement ->

160,795

128,362 140,412 163,637 186,463 178,704

Prepared by Sonnenberg & Company CPAs

Reserve Analysis Worksheets, Page 5

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

	Estima		2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2048	2053
	UsfI/R		2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2049	2054
COMPONENT	Life	е	Disb	Disb	Disb	Disb	Disb	Disb	Disb	Disb	Disb	Disb	Disb	Disb	Disb	Disb	Disb	Disb	Disb
			6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	25	30
ROOFING - POOL BUILDING																			
Tile Underlayment	35	9				7,273													
PAINTING																			
Exterior Wood - Paint	6	3				2,827						3,238							
Lanai - Paint/Stain	6	1		8,763						10,099						11,436		12,773	
Interior Surfaces (Restrooms) - Paint	10	7		548										687					
Stucco (Pool Bldg Exterior) - Paint	20	17												3,141					
Wood Fence @ Pool/Park - Paint																			
Wrought Iron Pool Fence & Gates - Paint	6	1		4,779						5,508						6,237		6,966	
FENCE/CATES																			
FENCE/GATES	45										40.400								
Electronic Card Reader/Gate Openr System	15	14									18,433								
Panic Hardware @ Pool Gates	20	18													6,408				
Security Camera System	12	11						15,600											
Wood Fence - 6ft	20	4																	
Metal Pool Fence - 7ft	25	5																	44,614
Metal Pedestrian Gates	25	5																	8,527
PAVED SURFACES	7				C 440							7 500							
Concrete Paving	7	1			6,418							7,532							
Pool Concrete Deck - Repair	15	14									64,635								
POOLS																			
Chlorinator System Automated - Large Pool	10	1						8,962											
Chlorinator System Automated - Wade Pool		3						0,902		4,688									
Coping Tiles - Large Pool	30	26								4,000									
Coping Tiles - Large Pool Coping Tiles - Wade Pool	30	26																	
Decoseal Joint Caulk - Large Pool	4	20	2.772				3,061				3,350				3.639				4,507
Decoseal Joint Caulk - Large 1 ool Decoseal Joint Caulk - Wade Pool	4	2	943				1,041				1,140				1,238				1,533
Decoseal Joint Caulk - Wade Fool Decoseal Joint Caulk - Concrete Decking	4	2	1,725				1,905				2,085				2,265				2,805
Filter - Large Pool	18	1	1,725				1,905				2,005				2,200	4,900			2,005
Filter - Large Pool	15	6	3,659													4,900			
Filter - Wade Pool	18	1	3,039													220			
Pump/Motor - Variable Motors	12	2									9,729					220			
Pump/Motor - Variable Motors Pump/Motor - One Speed Motor	10	1						1,655			5,125								
Resurface/Retile - Large Pool	20	16						1,000					70,761						
Resurface/Retile - Large Pool Resurface/Retile - Wade Pool	20	16											6,000						
Solar Heater	20 15	9				20.064							0,000						
Large Pool Peripherals (Code Compliance,	10	9 6	3,539			20,061							4,462						
Small Pool Peripherals (Code Compliance,	10	6	1,769										2,230						
SHADE STRUCTURES																			
Lanai (Wood) - Major Repair/Replace	25	19														90,532			
Wading Pool Shade Structure (Steel &Fabri	20	14									10,543								

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

	Estima Usfl/R		2029 2030	2030 2031	2031 2032	2032 2033	2033 2034	2034 2035	2035 2036	2036 2037	2037 2038	2038 2039	2039 2040	2040 2041	2041 2042	2042 2043	2043 2044	2048 2049	2053 2054
COMPONENT	Life		Disb																
			6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	25	30
LANDSCAPING/IRRIGATION																			
Backflow Valve	25	1																	
Landscaping/Irrigation Renovation	10	10					40,420										49,968		59,516
Irrigation Timers	10	2							1,411										
Tree Trim	4	1				1,316				1,443				1,570				1,825	
Tree Removal/Replacement	9	2						3,461									4,179		
LIGHTING/ELECTRICAL																			
Post Lights	20	1																	
Lanai Lighting	20	14									1,112								
Misc. Lighting & Electrical	12	9				2,368													
MISCELLANEOUS																			
Ceramic Tile Shower	30	19														6,536			
Restroom Remodel	30	19														16,333			
Storage Shed	25	5																	6,943
Water Heater	18	1														4,084			
Misc Plumbing	25	1																	
Benches, Custom	20	1																	
CONTINGENCY (5%)			720	704	321	1,692	2,321	1,484	71	1,087	5,551	538	4,173	270	678	7,014	2,707	1,078	6,422
TOTALS			15,126	14,794	6,739	35,537	48,749	31,162	1,482	22,825	116,578	11,308	87,626	5,667	14,228	147,293	56,855	22,642	134,869

Accumulated Funding Requirement ->
Prepared by Sonnenberg & Company CPAs

See Accountant's Letter and the Accompanying Notes and Assumptions

195,689 213,846 240,894 239,983 226,697 231,837 267,493 282,645 204,881 233,225 186,088 221,748 249,684 145,394 132,379 215,611 109,842

Reserve Analysis Worksheets, Page 6

30-Year Cash Projections

30-Year Cash Projections:

Fiscal Year Ended> Number of Years>	2024 2025 1	2025 2026 2	2026 2027 3	2027 2028 4	2028 2029 5	2029 2030 6	2030 2031 7	2031 2032 8	2032 2033 9	2033 2034 10	2034 2035 11	2035 2036 12	2036 2037 13	2037 2038 14	2038 2039 15	2043 2044 20	2048 2049 25	2053 2054 30
Option 1 - Annual Requirement Fo	unding: Fai	r level of f	unding in	FY 2024/2	5. Funding	could read	h the Stror	ıg level begi	nning FY 2	030/31, futu	ıre overfun	ding is likely	-					
Reserve Allocation - Unit/Mth Beginning Cash	5.45 88788	5.61	5.78	5.95	6.13	6.31	6.50	6.70	6.90	7.11	7.32	7.54	7.77	8.00	8.24	9.55	11.07	12.84
Annual Funding w/3% incrs (includes 3% annual increase)	28761	29624	30513	31428	32371	33342	34343	35373	36434	37527	38653	39812	41007	42237	43504	50433	58466	67778
Net Interest On Balance (1%)	888	581	716	964	1212	1158	1351	1560	1862	1890	1797	1889	2292	2496	1778	1529	2468	3260
Annual Disbursements	60357	16711	6374	7611	39034	15126	14794	6739	35537	48749	31162	1482	22825	116578	11308	56855	22642	134869
Ending Cash Reserve - Option 1	58080	71574	96428	121210	115760	135133	156033	186228	188987	179656	188943	229164	249637	177793	211767	147973	285058	262144
Option 2 - Current Budgeted Fund 2039/40.	ding: Reser	ves are cu	ırrently fu	nded at th	e Fair leve	of funding	g. Reserves	could fall to	the Weak	level of fun	iding by FY	2037/38 and	l deficits cou	ıld occur be	ginning FY			
Reserve Allocation - Unit/Mth Beginning Cash	3.90 88788	4.02	4.14	4.26	4.39	4.52	4.66	4.80	4.94	5.09	5.24	5.40	5.56	5.73	5.90	6.84	7.93	9.19
Current Funding w/3% incrs (includes 3% annual increase)	20600	21218	21855	22510	23185	23881	24597	25335	26095	26878	27685	28515	29371	30252	31159	36122	41876	48545
Net Interest On Balance (1%)	888	499	549	710	866	716	811	917	1112	1028	820	794	1072	1148	296	0	0	0
Annual Disbursements	60357	16711	6374	7611	39034	15126	14794	6739	35537	48749	31162	1482	22825	116578	11308	56855	22642	134869
Ending Cash Reserve - Option 2	49919	54925	70954	86563	71581	81051	91665	111179	102849	82007	79351	107178	114795	29617	49765	(90371)	(41375)	(170847)

Option 3 - Recommended Funding: To avoid deficits which could occur beginning FY 2039/40 and to bring reserves up to a stronger level of funding, the regular reserve allocation could be increased 10% annually in FY's 2024/25 through 2028/29. To avoid possible future overfunding, the regular reserve allocation could be decreased to equal \$42,000 annually in FY 2043/44. Reserves could maintain the Fair level of funding and could reach and maintain the Strong level of funding beginning FY 2032/33.

Reserve Allocation - Unit/Mth Beginning Cash	4.17 88788	4.58	5.04	5.55	6.10	6.28	6.47	6.67	6.87	7.07	7.28	7.50	7.73	7.96	8.20	7.95	9.22	10.69
Recommended Funding (inclds 3% annl incrs unless noted)	22000 24200 26620 29282 32210) (10% ann incrs in FY's 2024/25 - 2029/30)						34172	35197	36253	37340	38461	39614	40803	42027	43288	42000	48690	56444
Net Interest On Balance (1%)	888	513	593	802	1026	968	1159	1364	1662	1686	1589	1678	2076	2276	1553	1281	1751	1977
Annual Disbursements	60357	16711	6374	7611	39034	15126	14794	6739	35537	48749	31162	1482	22825	116578	11308	56855	22642	134869
Ending Cash Reserve - Option 3	51319	59321	80160	102633	96835	115854	136391	166213	168591	158869	167756	207567	227620	155346	188880	114530	202888	121274

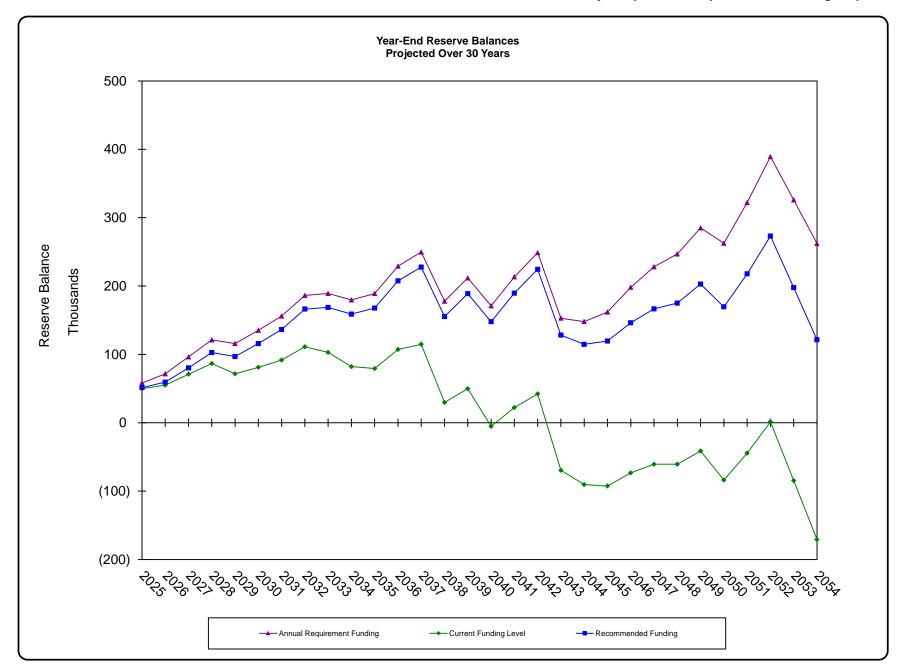
Projected Total Replacement Cost - 1006563
Projected Funding to Cost Ratio - 12%

Percent of Accumulated Reserve Requirement Funded: 55.2%

Cash at End of Fiscal Year:

Cash atJanuary 31, 202484,855Monthly Allocations through Year End10,000To be Transferred from Reserves by Year End(6,067)Anticipated Expenditures through Year End-

Cash Projected at Year End June 30, 2024 88,788



Mesa View Homeowners Association No. 2

Notes and Assumptions June 30, 2024

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 No. 2

Notes and Assumptions June 30, 2024

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.