



# Sonnenberg & Company, CPAs

A Professional Corporation

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Leonard C. Sonnenberg, CPA

**Mesa View #2  
Homeowners Association No. 2  
RESERVE STUDY  
June 30, 2025**





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# Reserve Study Executive Summary

**Association Name:** Mesa View #2 Homeowners Association No. 2  
**Location:** 8550 Lynx Rd, San Diego, CA  
**No. of Units:** 440 **Built:** 1975 **Fiscal Year Ending:** June 30, 2025  
**Level of Study:** Level II: Update with On-Site Inspection **Date of Physical Inspection:** February 27, 2025

### CURRENT FISCAL YEAR END SUMMARY OF RESERVE COMPONENTS

(See Reserve Analysis Worksheet, pg. 5, for breakdown of all components individual lives, current costs, and projected future replacement costs)

Reserve Component	Estimated Useful Life	Estimated Remaining Life	Estimated Replacement Cost	Annual Funding Requirement	Accumulated Funding Requirement	Allocation of Fund Balance	Percent of Fund Balance
ROOFING - POOL BUILDING	35 - 35	8 - 8	\$ 20,000	\$ 571	\$ 15,429	\$ 7,998	8.4%
PAINTING	6 - 20	1 - 16	16,832	2,519	11,261	5,838	6.1%
FENCE/GATES	12 - 25	3 - 17	66,510	3,672	28,673	14,865	15.5%
PAVED SURFACES	15 - 20	10 - 13	23,463	1,473	5,132	2,660	2.8%
POOLS	4 - 30	1 - 26	152,795	9,091	43,624	22,616	23.6%
SHADE STRUCTURES	20 - 25	13 - 18	68,363	2,813	19,689	10,207	10.7%
LANDSCAPING/IRRIGATION	4 - 30	1 - 10	46,509	4,259	11,412	5,916	6.2%
LIGHTING/ELECTRICAL/PLUMBING	12 - 30	5 - 30	18,254	787	8,944	4,637	4.8%
MISCELLANEOUS	18 - 30	1 - 20	43,966	1,734	31,780	16,476	17.2%
CONTINGENCY (5%)			22,835	1,346	8,797	4,561	4.8%
<b>TOTALS</b>			<b>\$ 479,528</b>	<b>\$ 28,266</b>	<b>\$ 184,740</b>	<b>\$ 95,773</b>	

### CURRENT FISCAL YEAR RESERVE FUNDS

Current Budgeted Annual Reserve Allocation	\$ 25,000
Reserve Fund Balance as of: January 31, 2025	\$ 83,273
Anticipated Funding to Year End	12,500
Anticipated Expenditures to Year End	-
Cash Projected at Year End June 30, 2025	\$ 95,773
Accumulated Funding Requirement (Fully Funded)	\$ 184,740
Percentage Funded at the end of this Fiscal Year	51.8%
Accumulated Deficiency for Current Fiscal Year	\$ 88,967
Deferred repair/replacement of any major component with a remaining life of 30 years or less?	Per Unit \$ 202 NO

### RESERVE FUNDING OPTIONS FOR THE FISCAL YEAR ENDING: 2026

	per unit per month	per year
funding options assume a 3% increase, unless otherwise noted		
Annual Requirement Funding:	\$ 5.51	\$ 29,114
Current Budgeted Funding:	\$ 4.88	25,750
Recommended Funding:	\$ 5.11	27,000
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, 2025, and the related reserve funding projection for the 30-year period from 2025 to 2055, 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.



March 12, 2025

Sonnenberg & Company, CPAs

**Mesa View #2 Homeowners Association No. 2**  
**Level II: Update with On-Site Inspection**  
**June 30, 2025**

**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 \$479,528 and estimated normal and remaining useful lives as determined by the independent consultant, the annual funding requirement is calculated to be \$28,266.

The accumulated funding requirement is calculated to be \$184,740.

As of June 30, 2025, the Association may have \$95,773 in accounts designated as reserve funds.

Therefore, a deficit of \$88,967 has been calculated, with a funding percentage of 51.8%. 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 \$29,114 or \$6 per unit per month (based on annual funding requirement, plus 3% inflation increase) beginning next fiscal year.

**Fair level of funding in FY 2025/26.**

**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, \$25,750 or \$5 per unit per month will be allocated to reserves next fiscal year.

**Reserves are currently funded at the Fair level of funding.**

**Reserves could maintain Fair to Weak levels of funding throughout the 30 year projection.**

**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, \$27,000 or \$5 per unit per month.

**To bring reserves up to a stronger level of funding, the regular reserve allocation could be increased 8% annually in FY's 2025/26 and 2026/27.**

**To avoid possible future overfunding, the regular reserve allocation could be made without 3% annual increases in FY's 2044/45 through 2049/50.**

**Reserves could maintain the Fair level of funding and could reach the Strong level of funding beginning FY 2031/32.**

## Mesa View #2 Homeowners Association No. 2

### Assessment and Reserve Funding Disclosure Summary

June 30, 2025

**(1) Regular Assessments -**

Assessments to members are averaged at \$170 per unit twice annually for the year ending June 30, 2025.

\* 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                                       X                    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 \$95,773.

Based on the method of calculation in paragraph 4 of subdivision (b) of Section 5570 the estimated accumulated funding requirement is \$184,740. The percentage funded is: 51.8%

**(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:

\$170,290      \$187,645      \$207,309      \$227,313      \$243,917

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:

	\$79,764	\$95,327	\$113,300	\$131,765	\$147,012
% Funded	46.8%	50.8%	54.7%	58.0%	60.3%

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:

	\$81,014	\$99,227	\$119,956	\$141,286	\$159,510
% Funded	47.6%	52.9%	57.9%	62.2%	65.4%

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.

March 12, 2025



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Leonard C. Sonnenberg, CPA

March 12, 2025

**Mesa View #2  
Homeowners Association No. 2  
Reserve Study Report  
June 30, 2025**

Board of Directors and Owners:

We have compiled the accompanying Reserve Study Report of the Mesa View #2 Homeowners Association No. 2 as of June 30, 2025, the reserve funding projections for the thirty-year period from 2025 through 2055, 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.

Sonnenberg & Company, CPAs



Consultant's Report:

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

Accountant's Program:

COMPONENT	Units Measured	Unit Cost	Srce	Cond	Current Replcmt Cost	Estimated Life: Usfl	Rmg	Inspection Notes	Annual Funding Reqrmt	Accumlt'd Funding Reqrmt	Cash In Reserves	Deficit	2025	2026	2027	2028	2029
													2026 Disb	2027 Disb	2028 Disb	2029 Disb	2030 Disb
													1	2	3	4	5
<b>SHADE STRUCTURES</b>																	
Lanai (Wood) - Major Repair/Replace	Total		C/B/A	G	\$ 60,551	25	18	Small repairs may be needed	2,422	16,954	8,789	(8,165)					
Wading Pool Shade (Steel & Fabric)	Total		C/B/A	G	7,813	20	13	Well maintained	391	2,734	1,418	(1,317)					
Subtotal					\$ 68,363												
<b>LANDSCAPING/IRRIGATION</b>																	
Backflow Valve	1 ea	6,000.00	C/B	F	\$ 6,000	30	1	City is requiring backflow installation	200	5,800	3,007	(2,793)	6,000				
Pressure Regulator	1 ea	2,800.00	C/B	F	2,800	30	5	Operating condition	93	2,333	1,210	(1,124)					3,136
Landscaping/Irrigation Renovation	Allowance		C/B	G	32,782	10	9	System rebuilt with better valves & sensors	3,278	3,278	1,699	(1,579)					
Irrigation Timers	Allowance		C/B	G	1,093	10	10	Newer	109	-	-	-					
Tree Trim	Allowance		C/B	G	1,093	4	4	One trimmed for \$875	273	-	-	-				1,191	
Tree Removal/Replacement	Allowance		C/B	G	2,742	9	9	One new tree added	305	-	-	-					
Subtotal					\$ 46,509												
<b>LIGHTING/ELECTRICAL/PLUMBING</b>																	
Post Lights	8 ea	Allowance	C/B	G	\$ 5,463	30	30	6 new light poles and fixtures \$13,834	182	-	-	-					
Lanai Lighting	4 ea	206.00	C/B	G	824	20	13	Operating condition, replaced 2	41	288	150	(139)					
Underground Utilities	Allowance		C/B	n/a	10,000	25	5	Planning to replace certain items	400	8,000	4,147	(3,853)					11,200
Misc. Lighting & Electrical	Allowance		C/B	n/a	1,967	12	8	Operating condition	164	656	340	(316)					
Subtotal					\$ 18,254												
<b>MISCELLANEOUS</b>																	
Ceramic Tile Shower	1 ea	Total	C/B	G	\$ 4,371	30	18	Well maintained	146	1,749	906	(842)					
Restroom Remodel	2 ea	Total	C/B	G	10,924	30	18	Well maintained	364	4,370	2,265	(2,104)					
Storage Shed	Total		C/B	F	6,000	25	4	Planning to replace in future	240	5,040	2,613	(2,427)				6,540	
Water Heater	1 ea	2,731.56	C/B	F	2,732	18	1	If shower is connected hot water will be needed	152	2,580	1,337	(1,242)	2,732				
Misc. Plumbing	Allowance		C/B	n/a	16,419	25	1	Some changed planned	657	15,762	8,172	(7,591)	16,419				
Bike Racks	2 ea	560.00	C/B	G	1,120	20	20	One purchased, one preparing to be purchased	56	-	-	-					
Concrete Footings Benches, Custom	3 ea	800.00	C/B	P-F	2,400	20	1	Plans are to demo the older concrete footings next to the lanai or use them as the foundation for new benches Planning on replacing with backed benches	120	2,280	1,182	(1,098)	2,400				
Subtotal					\$ 43,966												
<b>CONTINGENCY (5%)</b>					22,835			Unforeseen exp & cost overrun	1,346	8,797	4,561	(4,237)	2,034	560	490	515	717
<b>TOTALS</b>					\$ 479,528				28,266	184,740	95,773	(88,967)	42,716	11,758	10,298	10,805	15,053

Accumulated Funding Requirement ->

184,740

170,290 187,645 207,309 227,313 243,917



**Mesa View #2 Homeowners Association No. 2  
440 Units; Built 1975**

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

COMPONENT	Estimated	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2049	2054
	Usfl/Remg Life	2031 Disb	2032 Disb	2033 Disb	2034 Disb	2035 Disb	2036 Disb	2037 Disb	2038 Disb	2039 Disb	2040 Disb	2041 Disb	2042 Disb	2043 Disb	2044 Disb	2045 Disb	2050 Disb	2055 Disb
<b>ROOFING - POOL BUILDING</b>		6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	25	30
Tile Underlayment	35	8		24,200														
<b>PAINTING</b>																		
Exterior Wood - Paint	6	4				2,982						3,405						
Lanai - Paint/Stain	6	1	9,026						10,402						11,779		13,156	
Interior Surfaces (Restrooms) - Paint	10	6	550									693						
Stucco (Pool Bldg Exterior) - Paint	20	16										3,169						
Wood Fence @ Pool/Park - Paint																		
Wrought Iron Pool Fence/Gates-Paint	6	1	4,922						5,673						6,424		7,175	
<b>FENCE/GATES</b>																		
Electronic Card Reader/Gate Opener System	15	13							18,576									
Panic Hardware @ Pool Gates	20	17											6,470					
Security Camera System	12	10				15,697												
Wood Fence - 6ft	20	3																
Metal Pool Fence - 7ft	25	10				31,209												
Metal Pedestrian Gates	25	6	5,401															
<b>PAVED SURFACES</b>																		
Concrete Paving	20	10				6,938												10,216
Pool Concrete Deck - Repair	15	13							24,480									
<b>POOLS</b>																		
Chlorinator System Automated - Large Pool	20	10				9,018												13,279
Chlorinator System Automated - Wade Pool	20	12						4,722										
Coping Tiles - Large Pool	30	26																
Coping Tiles - Wade Pool	30	26																
Decoseal Joint Caulk - Large Pool	4	2	2,855			3,153				3,450				3,748				4,642
Decoseal Joint Caulk - Wade Pool	4	2	971			1,073				1,174				1,275				1,579
Decoseal Joint Caulk - Concrete Decking	4	2	1,777			1,962				2,148				2,333				2,889
Filter - Large Pool	20	20															6,280	
Filter - Large Pool	20	2																
Filter - Wade Pool	20	2																
Pump/Motor - Variable Motors	12	7	5,671												7,401			
Pump/Motor - Variable Motors	12	3										3,412						
Pump/Motor - One Speed Motor	10	1					1,705											
Resurface/Retile - Large Pool	20	15									71,376							
Resurface/Retile - Wade Pool	20	15									6,052							
Solar Heater	15	8		20,163														
Concrete Deck Coating	20	19														46,200		
Large Pool-Rails, Lights, Skim., Etc.	15	12						5,320										
Small Pool Rails, Lights, Skim., Etc.	15	10				2,012											2,725	

**Mesa View #2 Homeowners Association No. 2  
440 Units; Built 1975**

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

COMPONENT	Estimated	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2049	2054
	Usfl/Remg Life	2031 Disb	2032 Disb	2033 Disb	2034 Disb	2035 Disb	2036 Disb	2037 Disb	2038 Disb	2039 Disb	2040 Disb	2041 Disb	2042 Disb	2043 Disb	2044 Disb	2045 Disb	2050 Disb	2055 Disb
<b>SHADE STRUCTURES</b>		6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	25	30
Lanai (Wood) - Major Repair/Replace	25	18												91,431				
Wading Pool Shade (Steel & Fabric)	20	13						10,625										
<b>LANDSCAPING/IRRIGATION</b>																		
Backflow Valve	30	1																
Pressure Regulator	30	5																
Landscaping/Irrigation Renovation	10	9			40,649										50,484			
Irrigation Timers	10	10				1,388										1,716		2,043
Tree Trim	4	4		1,322				1,453				1,584				1,716		
Tree Removal/Replacement	9	9			3,400								4,140					
<b>LIGHTING/ELECTRICAL/PLUMBING</b>																		
Post Lights	30	30																10,216
Lanai Lighting	20	13							1,121									
Underground Utilities	25	5																18,700
Misc. Lighting & Electrical	12	8		2,380												3,089		
<b>MISCELLANEOUS</b>																		
Ceramic Tile Shower	30	18												6,601				
Restroom Remodel	30	18												16,496				
Storage Shed	25	4																
Water Heater	18	1													4,207			
Misc. Plumbing	25	1																
Bike Racks	20	20														1,758		
Concrete Footings Benches, Custom	20	1																
<b>CONTINGENCY (5%)</b>		578	981	2,403	2,202	3,772	85	575	3,544	339	4,042	443	323	6,301	6,325	728	1,153	3,178
<b>TOTALS</b>		12,131	20,600	50,469	46,252	79,203	1,790	12,070	74,421	7,111	84,883	9,294	6,793	132,326	132,820	15,286	24,208	66,743

Accumulated Funding Requirement ->

264,292 277,045 260,778 249,575 206,270 241,225 266,748 230,768 262,947 218,201 249,892 284,932 195,287 105,996 135,087 252,546 220,873

Prepared by Sonnenberg & Company CPAs

See Accountant's Letter and the Accompanying Notes and Assumptions

Reserve Analysis Worksheets, Page 6

30-Year Cash Projections:

Fiscal Year Ended ----->	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2044	2049	2054
Number of Years----->	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2045	2050	2055
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	20	25	30
<b>Option 1 - Annual Requirement Funding: Fair level of funding in FY 2025/26. Funding could reach the Strong level beginning FY 2030/31, future overfunding is likely.</b>																		
Reserve Allocation - Unit/Mth	5.51	5.68	5.85	6.03	6.21	6.39	6.58	6.78	6.98	7.19	7.41	7.63	7.86	8.10	8.34	9.67	11.21	12.99
Beginning Cash	95773																	
Annual Funding w/3% incrs (includes 3% annual increase)	29114	29987	30887	31813	32768	33751	34763	35806	36880	37987	39126	40300	41509	42754	44037	51051	59182	68608
Net Interest On Balance (1%)	958	831	1022	1238	1460	1652	1885	2045	1919	1845	1451	1839	2140	1832	2207	990	2701	3554
Annual Disbursements	42716	11758	10298	10805	15053	12131	20600	50469	46252	79203	1790	12070	74421	7111	84883	15286	24208	66743
Ending Cash Reserve - Option 1	83128	102188	123799	146044	165220	188491	204539	191922	184470	145098	183885	213954	183181	220657	182017	135744	307738	360808

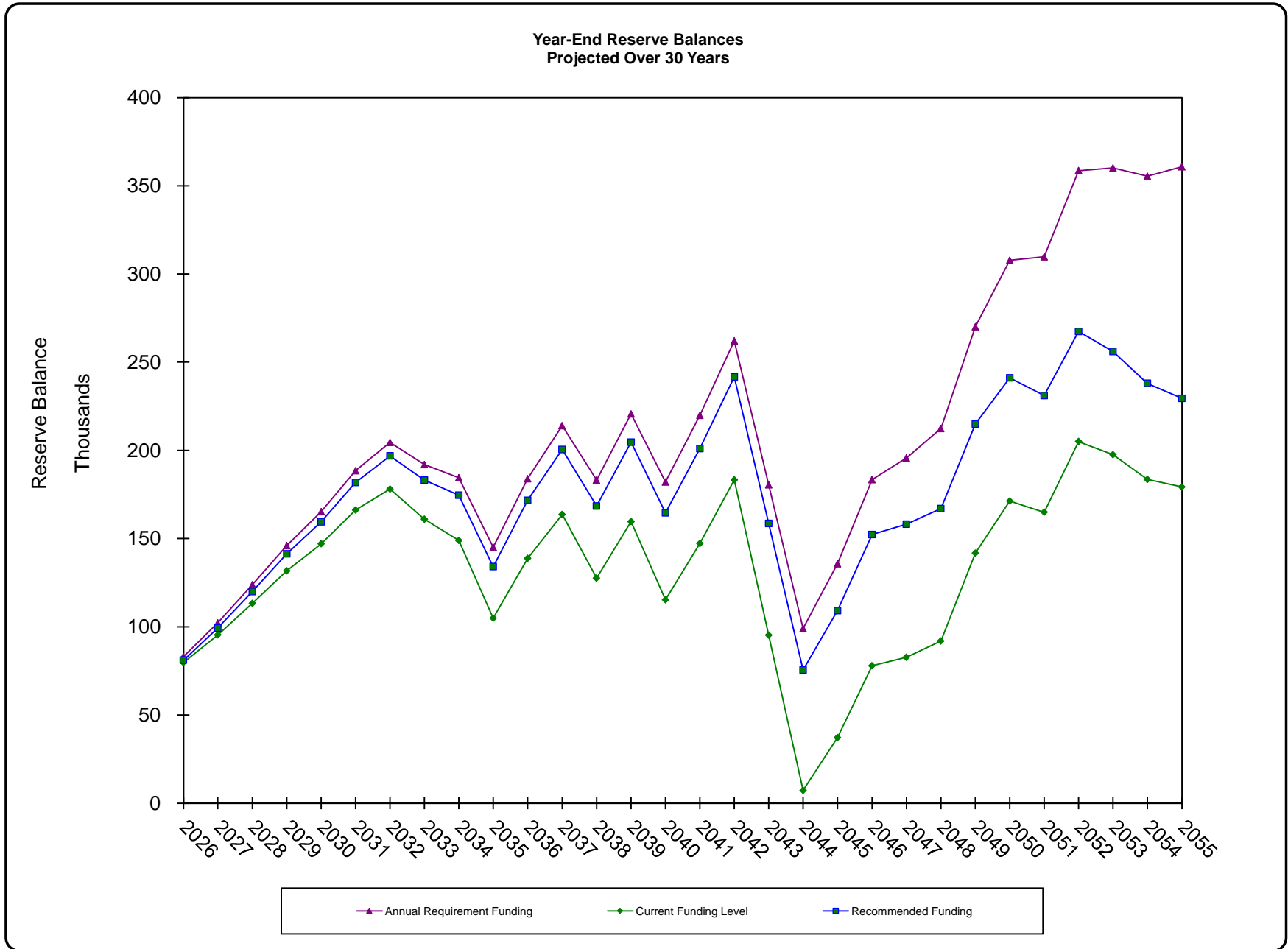
<b>Option 2 - Current Budgeted Funding: Reserves are currently funded at the Fair level of funding. Reserves could maintain Fair to Weak levels of funding throughout the 30 year projection.</b>																		
Reserve Allocation - Unit/Mth	4.88	5.02	5.17	5.33	5.49	5.65	5.82	6.00	6.18	6.36	6.55	6.75	6.95	7.16	7.38	8.55	9.91	11.49
Beginning Cash	95773																	
Current Funding w/3% incrs (includes 3% annual increase)	25750	26523	27318	28138	28982	29851	30747	31669	32619	33598	34606	35644	36713	37815	38949	45153	52344	60682
Net Interest On Balance (1%)	958	798	953	1133	1318	1470	1662	1780	1610	1490	1049	1387	1637	1276	1596	73	1417	1835
Annual Disbursements	42716	11758	10298	10805	15053	12131	20600	50469	46252	79203	1790	12070	74421	7111	84883	15286	24208	66743
Ending Cash Reserve - Option 2	79764	95327	113300	131765	147012	166202	178011	160992	148969	104854	138718	163680	127609	159589	115251	37205	171288	179274

<b>Option 3 - Recommended Funding: To bring reserves up to a stronger level of funding, the regular reserve allocation could be increased 8% annually in FY's 2025/26 and 2026/27. To avoid possible future overfunding, the regular reserve allocation could be made without 3% annual increases in FY's 2044/45 through 2049/50. Reserves could maintain the Fair level of funding and could reach the Strong level of funding beginning FY 2031/32.</b>																		
Reserve Allocation - Unit/Mth	5.11	5.52	5.69	5.86	6.03	6.22	6.40	6.59	6.79	7.00	7.21	7.42	7.64	7.87	8.11	9.13	9.13	10.58
Beginning Cash	95773																	
Recommended Funding (inclds 3% annl incrs unless noted) (8% ann incrs in FY's 2025/26 - 2026/27)	27000	29160	30035	30936	31864	32820	33804	34819	35863	36939	38047	39189	40364	41575	42822	48197	48197	55874
																(no incrs)		
Net Interest On Balance (1%)	958	810	992	1200	1413	1595	1818	1968	1831	1746	1341	1717	2005	1684	2046	755	2149	2380
Annual Disbursements	42716	11758	10298	10805	15053	12131	20600	50469	46252	79203	1790	12070	74421	7111	84883	15286	24208	66743
Ending Cash Reserve - Option 3	81014	99227	119956	141286	159510	181793	196816	183134	174576	134058	171656	200491	168439	204588	164574	109193	241048	229469
																Projected Total Replacement Cost -		1131686
																Projected Funding to Cost Ratio -		20%

Percent of Accumulated Reserve Requirement Funded: 51.8%

Cash at End of Fiscal Year:

Cash at January 31, 2025	83,273
Monthly Allocations through Year End	12,500
Anticipated Expenditures through Year End	-
<b>Cash Projected at Year End June 30, 2025</b>	<u>95,773</u>



## Mesa View #2 Homeowners Association No. 2

Notes and Assumptions

June 30, 2025

### 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 #2 Homeowners Association No. 2**

Notes and Assumptions

June 30, 2025

### **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.