



Sonnenberg & Company, CPAs

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April 25, 2014

**Villa Portofino
Homeowners Association
Level III: Update Reserve Study Report
June 30, 2014**

Board of Directors and Owners:

We have compiled the accompanying Level III: Update Reserve Study Report of the Villa Portofino Homeowners Association as of June 30, 2014, the reserve funding projections for the thirty-year period from 2014 through 2044, 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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Consultant's Report:

Accountant's Program:

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

COMPONENT	Units Measured	Unit Cost	Srcs	Current Replmt Cost	Estimated Life: Usfr Rng	Annual Funding Reqrmt	Accumlted Funding Reqrmt	Cash In Reserves	Deficit	2014 Disb	2015 Disb	2016 Disb	2017 Disb	2018 Disb	2019 Disb
ROOFING (Clubhouse & Eqpmnt Sheds)															
Built Up Asphalt/Gravel	1,485 sf	4.85	M/C	\$ 7,251	18	403	2,014	1,157	(657)						
Composite Shingles	3,150 sf	Total	C/M	10,075	40	252	9,823	5,643	(4,180)	10,075					
1 Roof Ventils/Flashing	Allowance		M/C	500	10	50	450	259	(191)	500					
				\$ 17,826											
Subtotal															
PAINTING															
Wood Paneling (Pool Pump House/Maint. Bldg)	Total		C/M	1,575	7	225	450	259	(191)						1,764
Clubhouse Interior Surfaces	3,920 sf	Total	M/C	2,585	10	259	259	149	(110)						
Clubhouse Exterior	2,256 sf	Total	C/M	1,775	15	118	1,183	880	(504)						1,988
Wood Fences	(per M) Wood fences are in the process of being replaced w/composite material fencing (not to be painted)														
Wrought Iron	3,195 sf	Operating Budget (M)		\$ 5,935											
Subtotal															
FENCING/WALLS/RAILINGS/SECURITY															
Dry Stack Block Retaining Walls	Total		M/C	50,000	40	1,250	48,750	28,007	(20,743)	50,000					
Chain Link Fence (Tennis Courts)	852 lf	36.00	C/M	30,672	40	767	20,704	11,894	(8,809)						
CMU Penmeter/Retaining Walls	Yearly Allowance		C/M	3,000	1	3,000	-	-	-	3,000					3,360
Brick Planters/Walls, Renovate	Annual Allowance		M/C	5,000	1	5,000	-	-	-	5,000					5,600
Wood to Composite Fencing (Done)	Wood fencing in process of being replaced w/composite material fencing														
	11,000 lf	41.50	M/C	456,500	30	15,217	243,467	139,873	(103,594)	500,000					
Wood to Composite Fencing (To Do '13)	8,000 lf	62.50	M/C	500,000	30	16,667	483,333	277,677	(205,656)						
Wood to Composite Fencing (To Do '14+)	3,000 lf	62.50	M/C	187,500	30	6,250	175,000	100,538	(74,462)						193,125
Wrought Iron Fence (Pool Area)	471 lf	Total	M	33,900	30	1,130	16,950	9,738	(7,212)						
Metal Tubular Handrails	58 lf	Total	M	2,555	30	85	1,278	734	(544)						
Pre-Cast Split Rail Fencing	Total		M/C	55,500	25	2,220	6,660	3,626	(2,834)						
Pool/Tennis Court Key Fob Electronic Locking System	1,300 lf	Total	M/C	34,775	35	994	5,961	3,425	(2,537)						
Surveillance Cameras	Total		M/C	13,200	15	880	12,320	7,078	(5,242)	13,200					
	Total		M	20,250	15	1,350	1,350	776	(574)						
Subtotal				\$ 1,392,852											
PAVED SURFACES															
Concrete Walkways lnru FY 15/16	\$3.5K in repairs to areas damaged from tree root, FY '14 (M)														
Concrete Walkways beg FY 16/17	199,102 sf	Allowance	M/C	24,000	1	24,000	-	-	-	24,000					26,880
Concrete Flatwork/Steps	199,102 sf	Allowance	M/C	13,050	5	65,250	-	-	-						
Brick Pathways	2,000 sf	Will be replaced with concrete when/if done. Expense will come out of Concrete Walkways line item (M)		64,500	17	1,013	23,288	13,379	(9,909)						
Subtotal															
POOLS & SPA															
Composite Wood Deck Area/Bend/Rail Caps	Total		M/C	13,200	25	528	1,584	910	(674)						
Concrete Decking	5,929 sf	Total	C/M	65,215	30	2,174	26,086	14,987	(11,099)						
Coping Tiles	385 lf	34.00	C/M	13,050	25	524	5,236	3,008	(2,228)						
Decoseal Joint Caulk	500 lf	5.00	M/A/C	2,500	3	833	833	479	(355)						2,800
Filters, Pool	4 ea	1,750.00	M/C	7,000	10	700	3,500	2,011	(1,489)						7,840
Filter, Spa	1 ea	1,275.00	M/C	1,275	10	128	638	366	(271)						1,428
Filter, Wading Pool	1 ea	1,000.00	M/C	1,000	10	100	500	287	(213)						1,120
Furniture, Replace	\$1.4K in restringing, and recoating, on 13 total pieces of deck furniture, conducted FY '14 (M)														
	Total		C/M	13,000	10	1,300	9,100	5,228	(3,872)						13,780
Heater, Pool	2 ea	4,500.00	M/C	9,000	10	900	-	-	-						
Heater, Spa	1 ea	3,150.00	M/C	3,150	10	315	1,575	905	(670)						3,528

