

LAKE FOREST GLEN HOMEOWNERS ASSOCIATION

Tahoe City, California

COMPILED FINANCIAL FORECAST

For The Years Ending
December 31, 2021 and 2020

INCLUDING
FORECASTED SUPPLEMENTARY INFORMATION

LAKE FOREST GLEN HOMEOWNERS ASSOCIATION

COMPILED FINANCIAL FORECAST
 STATEMENTS OF OPERATING FUND REVENUE AND EXPENSES
 AND CHANGES IN FUND EQUITY - ACTUAL AND FORECAST

For the Years Ending December 31, 2021 and 2020
 and the Year Ended December 31, 2019 (historical)

(See Accountants' Compilation Report)

	Forecast 2021	Estimated Actual 2020	Audited Actual 2019
Revenue			
Members' dues	\$ 1,038,960	\$ 1,038,960	\$ 1,010,880
Less: Dues allocated to replacement fund	(387,543)	(440,080)	(408,998)
Other	4,500	4,500	14,974
Total Revenue	<u>655,917</u>	<u>603,380</u>	<u>616,856</u>
Expenses			
Landscaping	103,148	103,806	98,053
Utilities	56,200	56,200	55,379
Pool and tennis	77,667	65,563	77,848
Repairs and maintenance	170,493	135,547	156,720
Administration	248,408	242,265	219,803
Depreciation	9,124	8,858	11,001
Income tax provision	874	849	263
Total Expenses	<u>665,914</u>	<u>613,088</u>	<u>619,067</u>
Excess of Revenue Over (Under) Expenses	(9,997)	(9,708)	(2,211)
Operating Fund Balance - Beginning of Year	218,654	228,362	230,573
Add: Replacement Fund Expenses Capitalized	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Operating Fund Balance - End of Year	<u>\$ 208,657</u>	<u>\$ 218,654</u>	<u>\$ 228,362</u>
Members' dues per unit per month	<u>\$ 370</u>	<u>\$ 370</u>	<u>\$ 360</u>

LAKE FOREST GLEN HOMEOWNERS ASSOCIATION
 COMPILED FINANCIAL FORECAST
 SCHEDULE OF EXPENSES - ACTUAL AND FORECAST

For the Years Ending December 31, 2021 and 2020
 and the Year Ended December 31, 2019 (historical)

(See Accountants' Compilation Report)

	Forecast 2021	Estimated Actual 2020	Audited Actual 2019
	<u> </u>	<u> </u>	<u> </u>
Landscaping			
Salaries - foreman	\$ 33,374	\$ 32,428	\$ 30,188
Salaries - seasonal	46,130	46,130	49,131
Employer costs	12,045	14,000	10,687
Supplies	3,049	2,748	1,802
Pest control	8,000	8,000	5,537
Other	550	500	708
	<u>\$ 103,148</u>	<u>\$ 103,806</u>	<u>\$ 98,053</u>
Utilities			
Electricity	\$ 9,400	\$ 9,400	\$ 8,195
Gas	300	300	281
Garbage	46,000	46,000	687
Sewer	500	500	46,216
	<u>\$ 56,200</u>	<u>\$ 56,200</u>	<u>\$ 55,379</u>
Pool and Tennis			
Salaries - foreman	\$ 22,249	\$ 21,619	\$ 19,934
Salaries - other personnel	16,281	14,000	13,685
Employer costs	5,837	6,000	4,733
Maintenance	1,700	910	2,243
Supplies	7,500	4,635	9,649
Utilities	21,500	16,000	24,585
Other	2,600	2,399	3,019
	<u>\$ 77,667</u>	<u>\$ 65,563</u>	<u>\$ 77,848</u>

LAKE FOREST GLEN HOMEOWNERS ASSOCIATION

COMPILED FINANCIAL FORECAST
SCHEDULE OF EXPENSES - ACTUAL AND FORECAST

For the Years Ending December 31, 2021 and 2020
and the Year Ended December 31, 2019 (historical)

(See Accountants' Compilation Report)

	Forecast 2021	Estimated Actual 2020	Audited Actual 2019
Repairs and Maintenance			
Salaries - foreman	\$ 27,811	\$ 27,023	\$ 25,118
Salaries - seasonal	46,130	46,226	47,009
Employer costs	11,202	12,000	7,369
Painting labor & material	400	470	1,345
Road maintenance	500	-0-	510
Roofs/porches	200	103	344
Plumbing and sewer	3,300	2,200	4,668
Buildings/fences	8,450	5,250	2,198
Electrical	3,000	3,000	3,270
Snow removal contract	50,000	26,000	41,773
Snow removal in-house	4,000	2,000	4,188
Truck operation	12,000	8,300	14,191
Supplies	2,000	1,500	3,448
Other	1,500	1,475	1,289
	<u>\$ 170,493</u>	<u>\$ 135,547</u>	<u>\$ 156,720</u>
Administration			
Salaries - manager	\$ 27,811	\$ 27,050	\$ 28,223
Salaries - administrative assistant	40,860	42,000	40,083
Employee benefits & employer costs	44,437	40,965	31,740
Security	6,000	6,000	6,018
Accounting fees	24,000	24,000	18,937
Audit fees	4,000	3,950	3,850
Legal fees	2,500	1,500	840
Insurance	79,000	76,000	70,029
Copying and postage	3,000	3,000	4,308
Supplies	3,000	3,000	3,582
Telephone	6,800	6,800	4,470
Travel expense	5,000	4,000	4,666
Miscellaneous	2,000	4,000	3,057
	<u>\$ 248,408</u>	<u>\$ 242,265</u>	<u>\$ 219,803</u>

LAKE FOREST GLEN HOMEOWNERS ASSOCIATION

COMPILED FINANCIAL FORECAST
 STATEMENTS OF REPLACEMENT FUND REVENUE AND EXPENSES
 AND CHANGES IN FUND EQUITY - ACTUAL AND FORECAST

For the Years Ending December 31, 2021 and 2020
 and the Year Ended December 31, 2019 (historical)

(See Accountants' Compilation Report)

	Forecast 2021	Estimated Actual 2020	Audited Actual 2019
Revenue			
Dues allocated to replacement fund	\$ 387,543	\$ 440,080	\$ 408,998
Bank interest income	-0-	-0-	-0-
Total Revenue	<u>387,543</u>	<u>440,080</u>	<u>408,998</u>
Expenses			
Site improvements	147,900	31,000	-0-
Buildings/roofs	55,080	8,000	32,781
Roads	9,690	7,340	45,338
Pool/Spa	6,120	4,522	-0-
Tennis courts	-0-	-0-	-0-
Painting	114,750		
Office	-0-	7,059	-0-
Trucks	40,800	-0-	4,764
Fencing	510	1,498	2,385
Income taxes	72	72	-0-
Total Expenses	<u>374,922</u>	<u>59,491</u>	<u>85,268</u>
Excess of Revenue Over (Under) Expenses	12,621	380,589	323,730
Replacement Fund Balance - Beginning of Year	<u>1,557,715</u>	<u>1,177,126</u>	<u>853,396</u>
Replacement Fund Balance - End of Year	<u>\$ 1,570,336</u>	<u>\$ 1,557,715</u>	<u>\$ 1,177,126</u>

LAKE FOREST GLEN HOMEOWNERS ASSOCIATION

COMPILED FINANCIAL FORECAST
BALANCE SHEETS

December 31, 2021 and 2020

(See Accountants' Compilation Report)

	Forecast 12/31/2021	Estimated Actual 12/31/2020
Assets		
Cash and CDs - undesignated	\$ 432,120	\$ 433,010
Cash - designated for future replacements	1,570,336	1,557,715
CDs - designated for future replacements	-0-	-0-
Dues and other receivables	2,075	2,075
Due to/from other funds	-0-	-0-
Prepaid expenses	-0-	-0-
Equipment	177,086	177,086
Accumulated depreciation	(168,419)	(159,312)
Total Assets	<u><u>\$ 2,013,198</u></u>	<u><u>\$ 2,010,574</u></u>
Liabilities and Members' Equity		
Liabilities		
Accounts payable	\$ 11,709	\$ 11,709
Accrued liabilities	214,519	214,519
Dues paid in advance	7,977	7,977
Total Liabilities	<u><u>234,205</u></u>	<u><u>234,205</u></u>
Members' Equity		
Operating Fund Balance	208,657	218,654
Replacement Fund Balance	1,570,336	1,557,715
Total Members' Equity	<u><u>1,778,993</u></u>	<u><u>1,776,369</u></u>
Total Liabilities and Members' Equity	<u><u>\$ 2,013,198</u></u>	<u><u>\$ 2,010,574</u></u>

LAKE FOREST GLEN HOMEOWNERS ASSOCIATION

COMPILED FINANCIAL FORECAST
STATEMENTS OF CASH FLOWS

For the Years Ending December 31, 2021 and 2020

(See Accountants' Compilation Report)

	Forecast 2021	Estimated Actual 2020
Net cash provided (used) by operating activities:		
Net Revenue Over (Under) Expenses:		
Operating fund	(\$ 9,997)	(\$ 9,708)
Replacement fund	12,621	380,589
	<u>2,624</u>	<u>370,881</u>
Adjustments:		
Depreciation	9,107	8,824
Change in dues receivable	-0-	-0-
Change in prepaid expenses	-0-	-0-
Change in accounts payable	-0-	-0-
Change in accrued liabilities	-0-	-0-
Change in dues billed in advance	-0-	-0-
	<u>9,107</u>	<u>8,824</u>
Net cash provided (used) by operating activities	<u>11,731</u>	<u>379,705</u>
Net cash provided (used) by investing activities:		
(Increase) decrease in CDs - designated	-0-	-0-
	<u>-0-</u>	<u>-0-</u>
Net increase (decrease) in cash	11,731	379,705
Cash beginning of year	<u>1,990,725</u>	<u>1,611,017</u>
Cash end of year	<u>\$ 2,002,456</u>	<u>\$ 1,990,722</u>
Cash is shown on the balance sheet as follows:		
Cash undesignated	\$ 432,120	\$ 433,010
Cash designated	1,570,336	1,557,715
	<u>\$ 2,002,456</u>	<u>\$ 1,990,725</u>

FORECASTED SUPPLEMENTARY INFORMATION

**LAKE FOREST GLEN HOMEOWNERS ASSOCIATION
REPLACEMENT FUND FORECASTED CASH FLOW SCHEDULE
FOR THE YEARS ENDING DECEMBER 31, 2021 THROUGH 2050**

Year	Year Ending December 31	Beginning Fund Balance	Assessments Allocated	Special Assessment	Interest	Replacement Expenditures	Year End Investment Balance	ANNUAL INFLATION %	ASSESSMENT ALLOCATION
								ANNUAL ASSESSMENT % INCREASE	ASSUMED INTEREST RATE
1	2021	\$ 1,557,715	\$ 387,543	\$ 0	\$ 0	\$ (374,922)	\$ 1,570,336	2.00%	387,543
2	2022	1,570,336	403,606	0	0	(369,934)	1,604,007	varies	0.00%
3	2023	1,604,007	420,222	0	0	(331,700)	1,692,530		
4	2024	1,692,530	437,410	0	0	(198,157)	1,931,783		
5	2025	1,931,783	455,188	0	0	(21,050)	2,365,922		
6	2026	2,365,922	473,574	0	0	(26,537)	2,812,959		
7	2027	2,812,959	492,588	0	0	(778,019)	2,527,528		
8	2028	2,527,528	512,249	0	0	(276,584)	2,763,194		
9	2029	2,763,194	532,579	0	0	(212,201)	3,083,571		
10	2030	3,083,571	553,597	0	0	(1,595,126)	2,042,042		
11	2031	2,042,042	575,325	0	0	(1,192,468)	1,424,899		
12	2032	1,424,899	597,787	0	0	(1,286,703)	735,983		
13	2033	735,983	621,005	0	0	(287,899)	1,069,088		
14	2034	1,069,088	645,002	0	0	(231,641)	1,482,450		
15	2035	1,482,450	669,804	0	0	(299,528)	1,852,726		
16	2036	1,852,726	695,434	0	0	(261,588)	2,286,572		
17	2037	2,286,572	721,920	0	0	(317,577)	2,690,916		
18	2038	2,690,916	749,288	0	0	(591,366)	2,848,838		
19	2039	2,848,838	777,565	0	0	(739,404)	2,887,000		
20	2040	2,887,000	806,780	0	0	(933,247)	2,760,533		
21	2041	2,760,533	836,962	0	0	(329,729)	3,267,765		
22	2042	3,267,765	868,141	0	0	(1,067,571)	3,068,335		
23	2043	3,068,335	900,347	0	0	(171,954)	3,796,728		
24	2044	3,796,728	933,614	0	0	(41,087)	4,689,255		
25	2045	4,689,255	967,973	0	0	(291,280)	5,365,948		
26	2046	5,365,948	1,003,458	0	0	(354,837)	6,014,569		
27	2047	6,014,569	1,040,104	0	0	(422,100)	6,632,574		
28	2048	6,632,574	1,077,948	0	0	(400,508)	7,310,014		
29	2049	7,310,014	1,117,026	0	0	(33,813)	8,393,227		
30	2050	8,393,227	1,157,376	0	0	(30,865)	9,519,737		

See accountants' compilation report and forecasted supplementary information.

LAKE FOREST GLEN HOMEOWNERS ASSOCIATION
 REPLACEMENT FUND LONG RANGE PLANNING PROGRAM
 FOR THE YEARS ENDING DECEMBER 31, 2021 THROUGH 2050

Replacement Item	Current Replacement Cost	Remaining Life	Life After Replacement	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Total Site Improvement				\$145,000	\$5,000	\$5,000	\$5,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Building/Roof	\$3,075,250	10-13	1-22	\$54,000	\$49,000	\$49,000	\$49,000	\$3,000	\$9,500	\$55,750	\$56,000	\$49,000	\$1,152,000	\$688,000	\$913,000	\$49,000	\$49,000	\$49,000
Total Roads	\$1,064,500	18-20	1-25	\$9,500	\$9,500	\$54,500	\$9,500	\$9,500	\$9,500	\$54,500	\$9,500	\$9,500	\$9,500	\$54,500	\$9,500	\$9,500	\$9,500	\$54,500
Total Pool / Spa	\$869,500	7	2-15	\$6,000	\$93,500	\$46,000	\$3,500	\$6,000	\$3,500	\$436,000	\$3,500	\$6,000	\$33,500	\$6,000	\$3,500	\$6,000	\$3,500	\$6,000
Total Tennis Courts	\$141,000	16	5-20	\$0	\$0	\$0	\$0	\$0	\$0	\$18,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Painting	\$450,000	0-3	6	\$112,500	\$112,500	\$112,500	\$112,500	\$0	\$0	\$112,500	\$112,500	\$112,500	\$112,500	\$0	\$0	\$112,500	\$112,500	\$112,500
Total Office	\$8,500	8	4-8	\$0	\$0	\$0	\$2,500	\$0	\$0	\$0	\$8,500	\$0	\$0	\$0	\$2,500	\$0	\$0	\$0
Total Trucks	\$170,000	0-3	5-10	\$40,000	\$85,000	\$45,000	\$0	\$0	\$0	\$0	\$45,000	\$0	\$0	\$40,000	\$85,000	\$45,000	\$0	\$0
Total Fencing	\$1,000	0-1	1-2	\$500	\$1,000	\$500	\$1,000	\$500	\$1,000	\$500	\$1,000	\$500	\$1,000	\$500	\$1,000	\$500	\$1,000	\$500
Total All	\$5,479,750			\$367,500	\$355,500	\$312,500	\$183,000	\$19,000	\$23,500	\$677,250	\$236,000	\$177,500	\$1,308,500	\$955,000	\$1,014,500	\$222,500	\$175,500	\$222,500
Inflation Factor				1.02	1.04	1.06	1.08	1.10	1.13	1.15	1.17	1.20	1.22	1.24	1.27	1.29	1.32	1.35
Provisions for Federal Income Tax				36	36	36	36	36	36	36	36	36	36	36	36	36	36	36
Provisions for Franchise Tax				36	36	36	36	36	36	36	36	36	36	36	36	36	36	36
Inflated Replacement Costs				374,922	369,934	331,700	198,157	21,050	26,537	778,019	276,544	212,201	1,595,126	1,197,468	1,266,703	287,899	231,641	299,528

See accountants' compilation report and forecasted supplementary information.

LAKE FOREST GLEN HOMEOWNERS ASSOCIATION
 REPLACEMENT FUND LONG RANGE PLANNING PROGRAM
 FOR THE YEARS ENDING DECEMBER 31, 2021 THROUGH 2050

Replacement Item	Current Replacement Cost	Remaining Life	Life After Replacement	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Total Site Improvement				\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Building/Roof	\$3,075,250	10-13	1-22	\$55,500	\$9,750	\$10,000	\$49,000	\$49,000	\$49,000	\$49,000	\$3,000	\$3,000	\$49,000	\$55,500	\$55,750	\$56,000	\$3,000	\$3,000
Total Roads	\$1,064,500	18-20	1-25	\$9,500	\$9,500	\$284,500	\$339,500	\$459,500	\$9,500	\$9,500	\$54,500	\$9,500	\$9,500	\$9,500	\$54,500	\$9,500	\$9,500	\$9,500
Total Pool / Spa	\$589,500	7	2-15	\$3,500	\$86,000	\$73,500	\$6,000	\$3,500	\$6,000	\$433,500	\$6,000	\$3,500	\$6,000	\$33,500	\$6,000	\$3,500	\$6,000	\$3,500
Total Tennis Courts	\$141,000	16	5-20	\$0	\$141,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$18,000	\$0	\$0	\$0
Total Painting	\$450,000	0-3	6	\$112,500	\$0	\$0	\$112,500	\$112,500	\$112,500	\$112,500	\$0	\$0	\$112,500	\$112,500	\$112,500	\$112,500	\$0	\$0
Total Office	\$8,500	8	4-8	\$8,500	\$0	\$0	\$0	\$2,500	\$0	\$0	\$0	\$8,500	\$0	\$0	\$0	\$2,500	\$0	\$0
Total Trucks	\$170,000	0-3	5-10	\$0	\$0	\$45,000	\$0	\$0	\$40,000	\$45,000	\$45,000	\$0	\$0	\$0	\$0	\$45,000	\$0	\$0
Total Fencing	\$1,000	0-1	1-2	\$1,000	\$500	\$1,000	\$500	\$1,000	\$500	\$1,000	\$500	\$1,000	\$500	\$1,000	\$500	\$1,000	\$500	\$1,000
Total All	\$5,478,750			\$190,500	\$226,750	\$414,000	\$507,500	\$628,000	\$717,500	\$690,500	\$109,000	\$25,500	\$177,500	\$212,000	\$247,250	\$230,000	\$19,000	\$17,000
Inflation Factor				1.37	1.40	1.43	1.46	1.49	1.52	1.55	1.58	1.61	1.64	1.67	1.71	1.74	1.78	1.81
Provisions for Federal Income Tax				36	36	36	36	36	36	36	36	36	36	36	36	36	36	36
Provisions for Franchise Tax				36	36	36	36	36	36	36	36	36	36	36	36	36	36	36
Inflated Replacement Costs				251,588	317,577	591,366	799,404	933,247	1,067,571	1,201,571	1,341,954	1,488,987	1,643,880	1,806,837	2,079,250	2,361,508	2,654,813	2,960,865

See accountants' compilation report and forecasted supplementary information.

LAKE FOREST GLEN HOMEOWNERS ASSOCIATION
 SUPPLEMENTARY INFORMATION AND REQUIRED DISCLOSURES

(See Independent Accountants' Compilation Report)

4. California Assessment and Reserve Funding Disclosure Summary (Continued)

(7) Based on the method of calculation in paragraph (4) of subdivision (b) of Section 5570 of the Civil Code, the estimated amount required in the reserve fund at the end of each of the next five budget years is presented in the table below, and the projected reserve fund cash balance in each of those years is presented in the table below, leaving the reserve percent funding as presented in the table below.

Year Ending	Fully Funded Balance	Reserve Ending Balance With Scheduled Increases	Percent Funded With Scheduled Increases		Reserve Ending Balance Without Scheduled Increases	Percent Funded Without Scheduled Increases
12/31/21	\$2,733,000	\$1,570,000	57%		\$1,570,000	57%
12/31/22	\$2,754,000	\$1,604,000	58%		\$1,588,000	58%
12/31/23	\$2,796,000	\$1,693,000	61%		\$1,659,000	59%
12/31/24	\$2,893,000	\$1,932,000	67%		\$1,880,000	65%
12/31/25	\$3,141,000	\$2,366,000	75%		\$2,296,000	73%

Note: The financial representations set forth in this summary are based on the best estimates of the Association at that time. The estimates are subject to change.

4. Additional Financial Disclosures Required by the California Civil Code

The current deficiency in reserve funding per ownership interest, as calculated by statutory formula, is \$3,700. This is calculated as the current estimate of the straight-line liability as of the beginning of the 2021 fiscal year, less the current amount of accumulated cash reserves plus amounts due from the operating fund actually set aside as of that date, divided by 234. Refer to Note 1.B for further explanation of the Association's policy of using the cash flow method to determine the required funding for replacements. The cash flow method typically results in a funding percentage described above of less than 100%.

Section 5300 (b)(4) The Association's Board of Directors has deferred or determined not to undertake repairs or replacements over the next 30 years as follows: None.

Section 5300 (b)(5) The Association's Board of Directors as of the date of the study, does not anticipate the levy of a special assessment for the repair, replacement or restoration of the major components.

Section 5300 (b)(8) The Association has outstanding loans as follows: None.