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***Please note: All Billings, Payments and Contracts should be mailed to our Main Office.
Contractor: #0672692 DRE: #02055843**

Tahoe Tyrol Homes Association

2024 Budget Report

Approved By: Board of Directors

Date: October 14, 2023

For the Fiscal Year

January 1, 2024

to

December 31, 2024

Prepared By

The Helsing Group, Inc.

NOTICE

The California Civil Code requires disclosures pertaining to (1) the Status of the Reserve Funds, (2) the Association's Insurance coverage and possible effects of the coverage on homeowner liability. These notes are integral to the budget and should be attached to this document, as should be the budget itself. If any of these disclosures is missing you should contact your managing agent or Board of Directors.

INCOME

Assessments - Regular: The Assessments are on an annual basis and have been allocated to the individual members in accordance with the provisions of the Governing Documents as more specifically set forth in the California Civil Code. This budget requires a monthly assessment of **\$110.00** per unit per month.

Certain items in the budget are exempt from assessments if they have not been built or annexed to the association. Such exemptions could reduce the amount of the assessment in any given month. Assessments are due on the first day of each month and will be delinquent if received after the fifteenth (15th) day of the month. All amounts delinquent plus 10% of the delinquent installment or \$10.00 whichever is greater, and interest at 12% per year on the outstanding balance commencing thirty (30) days from the due date shall be added to the regular assessment.

Interest Revenues: Reserve funds are invested in an interest bearing account. Interest revenues are allocated to the Reserve Fund rather than the Operating Fund, in order to remain consistent with the Association's reserve funding plan.

Late and Interest Charge: This line item has not been budgeted.

We assume and report all interest income, including interest, which may be earned on the restricted reserve funds.

ESTIMATES OF EXPENSES

1. **Inspector of Elections Svcs:** This line item has been increased by 23% or from \$1,000 to \$1,233 annually, to reflect updated contract.
2. **Property & Liability:** This line item has been increased by 3% or from \$6,750 to \$6,965 annually, to reflect Insurance Broker's recommendation.

3. **General Liability:** This line item has been added by \$3,000 annually, to reflect the reallocation from GL93002.
4. **Umbrella:** This line item has been removed by \$3,000 annually and reallocated to GL93007.
5. **Management Services:** This line item has been increased by 4% or from \$26,190 to \$27,238 annually, to reflect CPI increase per management contract.
6. **Postage:** This line item has been increased by 20% or from \$500 to \$600 annually, to reflect historical data.
7. **Office Expense Mgmt:** This line item has been increased by 13% or from \$1,600 to \$1,800 annually, to reflect historical data.
8. **Minor Repairs:** This line item has been increased by 120% or from \$5,916 to \$13,033 annually, to reflect anticipated expenses.
9. **Snow Removal:** This line item has been increased by 73% or from \$1,500 to \$2,600 annually; per the Board of Director's request.
10. **Reserve Contribution:** This line item has been increased by 30% or from \$9,488 to \$12,334 annually, to reflect updated reserve study.
11. **Electricity:** This line item has been increased by 110% or from \$3,800 to \$7,985 annually; per the Board of Director's request.
12. **Gas:** This line item has been increased by 100% or from \$7,000 to \$14,000 annually, to reflect historical data.
13. **Water-Domestic:** This line item has been increased by 64% or from \$1,750 to \$2,862 annually, to reflect historical data.

LOAN DISCLOSURE

The Association does not have any outstanding loans with an original term of more than one year.

INSURANCE DISCLOSURE REQUIREMENTS

A summary of the Association's Insurance Policy is attached to this Budget Packet.

The association is required to provide you with certain disclosures concerning the association's insurance coverage annually.

This summary of the association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.

Tahoe Tyrol Homes Association

ANNUAL PROFORMA BUDGET

2024

Built out

116 # Units

		2024		
		Per Unit Per Month	Monthly Budget	Annual Budget
REVENUES				
62000	Average Members Assessments	110.00	12,760	153,117
63140	Post Office Box Rental	1.08	125	1,500
TOTAL	REVENUES	111.08	12,885	154,617
OPERATING COSTS				
Community				
81001	CPA Services/Review	1.04	121	1,450
81000	Legal Service	0.72	83	1,000
80013	Communications	0.14	17	200
80017	Meetings	0.72	83	1,000
80018	Socials	0.22	25	300
96200	Inspector of Elections Svcs	0.89	103	1,233
94006	CA Corp Fee	0.03	3	35
TOTAL	Community	3.75	435	5,218
Insurance				
93000	Property & Liability	5.00	580	6,965
93007	General Liability	2.16	250	3,000
93002	Umbrella	0.00	0	0
93004	Directors & Officers	1.08	125	1,500
93005	Fidelity Bond	0.27	31	375
93006	Workers Comp.	0.27	31	375
TOTAL	Insurance	8.78	1,018	12,215
Landscaping				
84002	Tree Mntc	21.55	2,500	30,000
84213	Addl Landscape Services	0.72	83	1,000
TOTAL	Landscaping	22.27	2,583	31,000
Management				
80100	Management Services	19.57	2,270	27,238
80001	Postage	0.43	50	600
80121	Bulk Mailings	0.25	29	350
81006	Non Rtn Mgmt.	0.79	92	1,100
80107	Non Rtn Bkpg	1.62	188	2,250
80022	Office Expense Mgmt	1.29	150	1,800
TOTAL	Management	23.95	2,778	33,338
Repairs & Maintenance				
86012	Pool & Spa Certificate	0.65	75	900
83007	Patrol Service	9.10	1,056	12,672
83003	Minor Repairs	9.36	1,086	13,033
89390	Snow Removal	1.87	217	2,600
86000	Pool Chemicals	2.51	292	3,500
86011	Pool/Spa Repairs	0.72	83	1,000
TOTAL	Repairs & Maintenance	24.21	2,809	33,705

	Reserve			
91002	Reserve Contribution	8.86	1,028	12,334
TOTAL	Reserve	8.86	1,028	12,334
	Utilities			
92000	Electricity	5.74	665	7,985
92001	Gas	10.06	1,167	14,000
92003	Water - Domestic	2.06	239	2,862
92015	Sewer - Domestic	1.41	163	1,960
TOTAL	Utilities	19.26	2,234	26,807
TOTAL BUDGET BEFORE REVENUE OFFSET		111.08	12,885	154,617
	Revenue Offset - Post Office Box Rental	-1.08	-125	-1,500
TOTAL BUDGET AFTER REVENUE OFFSET		110.00	12,760	153,117



RESERVE STUDY

Member Distribution Materials

Tahoe Tyrol

Update w/o Site Visit Review

2023 Update

Published - June 26, 2023

Prepared for the 2024 Fiscal Year

<i>Section</i>	<i>Report</i>	<i>Page</i>
<i>California:</i>	Member Summary	1
	Assessment and Reserve Funding Disclosure Summary	<i>[Civil Code §5570]</i> 3
<i>Section III:</i>	30 Year Reserve Funding Plan	<i>Cash Flow Method {c}</i> 5

June 26, 2023

This is a summary of the Reserve Study that has been performed for Tahoe Tyrol, (the "Association") which is a Planned Development with a total of 116 Lots. This study was conducted in compliance with California *Civil Code Sections 5300, 5550 and 5560* and is being provided to you, as a member of the Association, as required under these statutes. A full copy is available (through the Association) for review by members of the Association.

The intention of the Reserve Study is to forecast the Association's ability to repair or replace major components as they wear out in future years. This is done utilizing the "Cash Flow Method." This is a method of developing a reserve funding plan where the contributions to the reserve fund are designed to offset the variable annual expenditures from the reserve fund.

Browning Reserve Group, LLC prepared this Update w/o Site Visit Review for the January 1, 2024 - December 31, 2024 fiscal year. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 1.50% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 2.50% per year.

The Reserve Study is not an engineering report, and no destructive testing was performed. The costs outlined in the study are for budgetary and planning purposes only, and actual bid costs would depend upon the defined scope of work at the time repairs are made. Also, any latent defects are excluded from this report.

Funding Assessment

Based on the 30 year cash flow projection, the Association's reserves are **inadequately funded** as the reserve fund ending balances may fail to remain positive throughout the replacement of all major components during the next 30 years. **Additional reserve funding including some combination of increased contributions, special assessments and loans may be necessary to meet all reserve obligations.**

California statute imposes no reserve funding level requirements nor does it address funding level adequacy.

<i>Reserve Component</i>	<i>Current Replacement Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>	<i>2023 Fully Funded Balance</i>	<i>2024 Fully Funded Balance</i>	<i>2024 Line Item Contribution based on Cash Flow Method</i>
01000 - Paving	36,699	2-20	1-3	31,391	35,734	2,167
02000 - Concrete	22,319	25-25	12-12	11,606	12,811	640
03000 - Painting: Exterior	15,052	4-8	1-1	12,654	15,428	1,310
04000 - Structural Repairs	27,984	20-20	4-4	22,387	24,381	823
05000 - Roofing	17,808	25-25	17-17	5,699	6,571	578
08000 - Rehab	10,040	15-30	2-2	9,122	9,820	257
11000 - Gate Equipment	992	5-5	3-3	397	610	114
12000 - Pool	33,665	1-20	0-4	26,511	23,640	1,352
13000 - Spa	15,112	1-10	0-5	11,201	6,516	937
14000 - Recreation	9,026	20-30	4-10	6,579	7,110	226
18000 - Landscaping	22,900	1-5	0-5	9,650	3,260	1,598
19000 - Fencing	20,988	25-25	14-14	9,235	10,326	632
21000 - Signage	2,435	8-8	3-3	1,522	1,872	175
23000 - Mechanical Equipment	6,401	15-20	11-17	1,318	1,732	278
25000 - Flooring	3,519	12-12	1-1	3,226	3,607	160
30000 - Miscellaneous	9,641	5-30	1-2	8,602	9,654	449
31000 - Reserve Study	1,590	3-3	2-2	530	1,087	297
32000 - Undesignated	1,245	1-1	1-1	623	1,277	340
Totals	\$257,417			\$172,251	\$175,434	\$12,334
Estimated Ending Balance				\$97,456	\$52,762	\$8.86
Percent Funded				56.6%	30.1%	/Lot/month @ 116

June 26, 2023

(1) The regular assessment per ownership interest is _____ per month for the fiscal year beginning January 1, 2024.

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page ___ of the attached summary.

(2) Additional regular or special assessments that have already been scheduled to be imposed or charged, regardless of the purpose, if they have been approved by the board and/or members:

Date assessment will be due:	Amount per ownership interest per month or year (if assessments are variable, see note immediately below):	Purpose of the assessment:
N/A	\$0.00	N/A
Total:	\$0.00	

Note: If assessments vary by the size or type of ownership interest, the assessment applicable to this ownership interest may be found on page ___ of the attached report.

(3) 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**

This disclosure has been prepared by Browning Reserve Group, LLC and has been reviewed and approved by the association's board of directors based upon the best information available to the association at the time of its preparation. The accuracy of this information over the next 30 years will be dependent upon circumstances which are impossible to predict with specificity, and will require future action to adjust assessments over the period in accordance with the current projections and future developments.

(4) 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 or the members

Approximate date assessment will be due:	Amount per ownership interest per month or year:
2024- 2028	Large increases needed

(5) All major components are included in the reserve study and are included in its calculations. See next page §5300(b)(4), for any major component exclusions.

(6) Based on the method of calculation in paragraph (4) of the subdivision (b) of section 5570, the estimated amount required in the reserve fund at the end of the current fiscal year is \$172,251, based in whole or in part on the last reserve study or update prepared by Browning Reserve Group, LLC as of June, 2023. The projected reserve fund cash balance at the end of the current fiscal year is \$97,456 resulting in reserves being 56.6% percent funded at this date. Civil code section 5570 does not require the board to fund reserves in accordance with this calculation.

An alternate and generally accepted method of calculation has been utilized to determine future reserve contribution amounts. The reserve contribution for the next fiscal year has been determined using the Cash Flow method of calculation (see section III, Reserve Fund Balance Forecast). This is a method of developing a reserve funding plan where the contributions to the reserve fund are designated to offset the variable annual expenditures from the reserve fund. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

(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 column (b) 'Fully Funded Balance' in the table immediately below; and the projected reserve fund cash balance in each of those years, taking into account only assessments already approved and other known revenues, is presented in column (c) 'Reserve Ending Balance'; leaving the reserve at percent funding as presented in column (d) 'Percent Funded' in each of the respective years.

Fiscal Year (a)	Fully Funded Balance (b)	Reserve Ending Balance (c)	Percent Funded (d)
2024	\$175,434	\$52,762	30.1%
2025	\$143,507	\$37,094	25.8%
2026	\$137,785	\$42,581	30.9%
2027	\$149,347	\$13,288	8.9%
2028	\$119,934	\$13,680	11.4%

If the reserve funding plan approved by the association is implemented, the projected fund cash balance in each of those years will be the amounts presented in column (c) 'Reserve Ending Balance' in the table immediately above, leaving the reserve at percent funding as presented in column (d) 'Percent Funded' in each of the respective years.

NOTE: The financial representations set forth in this summary are based on the best estimates of the preparer at that time. The estimates are subject to change. At the time this summary was prepared, 2.50% per year was the assumed long-term inflation rate, and 1.50% per year was the assumed long-term interest rate.

Additional Disclosures

§5565(d) The current deficiency in reserve funding as of December 31, 2024 is \$1,058 per ownership interest (average).

This is calculated as the current estimate of the amount of cash reserves necessary as of the end of the fiscal year for which the study is prepared, less, the amount of accumulated cash reserves actually (Projected to be) set aside to repair, replace, restore, or maintain the major components.

$$\text{Deficiency} = \frac{\text{2024 Fully Funded Balance} - \text{2024 Reserve Ending Balance}}{\text{Ownership Interest Quantity}}$$

§5300(b)(4) The current board of directors of the association has not deferred or determined to not undertake repairs or replacements over the next 30 years, unless noted below:

Major Component:	Justification for Deferral:
N/A	N/A

§5300(b)(5) The 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.

Large reserve contribution increases are necessary in order to complete reserve projects and to maintain positive reserve fund balances. All percentages and balances are dependent upon these additional funds being collected as indicated.

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Beginning Balance	105,755	97,456	52,762	37,094	42,581	13,288	13,680	41,552	67,976	95,904
Inflated Expenditures @ 2.5%	19,300	58,146	32,371	15,950	56,806	35,035	8,082	10,254	9,478	28,081
Reserve Contribution ¹	9,488	12,334	16,034	20,844	27,097	35,226	35,543	35,863	36,186	36,512
<i>Lots/month @ 116</i>	6.82	8.86	11.52	14.97	19.47	25.31	25.53	25.76	26.00	26.23
<i>Percentage Increase</i>		30.0%	30.0%	30.0%	30.0%	30.0%	0.9%	0.9%	0.9%	0.9%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 1.50%	1,513	1,118	669	593	416	201	411	815	1,220	1,502
Ending Balance	97,456	52,762	37,094	42,581	13,288	13,680	41,552	67,976	95,904	105,837

1) Large reserve contribution increases are necessary in order to complete reserve projects and to maintain positive reserve fund balances. All percentages and balances are dependent upon these additional funds being collected as indicated.

	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Beginning Balance	105,837	112,896	132,559	121,413	137,372	143,992	144,119	179,148	144,473	172,464
Inflated Expenditures @ 2.5%	31,410	19,338	50,545	23,813	33,662	40,548	6,255	76,312	13,950	11,371
Reserve Contribution	36,841	37,173	37,508	37,846	38,187	38,531	38,878	39,228	39,581	39,937
<i>Lots/month @ 116</i>	26.47	26.70	26.95	27.19	27.43	27.68	27.93	28.18	28.43	28.69
<i>Percentage Increase</i>	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 1.50%	1,628	1,827	1,891	1,926	2,095	2,145	2,406	2,409	2,359	2,801
Ending Balance	112,896	132,559	121,413	137,372	143,992	144,119	179,148	144,473	172,464	203,831

	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Beginning Balance	203,831	209,953	177,840	200,145	224,920	181,839	145,189	173,223	191,935	225,981
Inflated Expenditures @ 2.5%	37,255	75,659	21,533	19,784	87,876	81,227	16,858	26,912	12,356	21,287
Reserve Contribution	40,296	40,659	41,025	41,394	41,767	42,143	42,522	42,905	43,291	43,681
<i>Lots/month @ 116</i>	28.95	29.21	29.47	29.74	30.01	30.28	30.55	30.82	31.10	31.38
<i>Percentage Increase</i>	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 1.50%	3,080	2,887	2,814	3,164	3,028	2,434	2,370	2,718	3,111	3,558
Ending Balance	209,953	177,840	200,145	224,920	181,839	145,189	173,223	191,935	225,981	251,933

Annual Insurance Disclosure 2023-24

In accordance with the requirements set forth under California Civil Code 5300 (b)(9), associations must provide the following insurance summary annually. This disclosure will list the insurance your association carries through our agency.

Tahoe Tyrol Homes Association

Effective: June 01, 2023 to 2024

- ***Building/Property Insurance Coverage***

Insurer: Farmers Insurance Group of Companies

Policy Limits: \$1,085,500. / Deductible: \$5,000.

- ***General Liability Insurance Coverage***

Insurer: Farmers Insurance Group of Companies

Policy Limits: \$1,000,000. Occurrence / Aggregate: \$2,000,000.

- ***Crime/Employee Dishonesty/Fidelity Bond Coverage***

Insurer: N/A – Please contact The Helsing Group, INC.

Policy Limits: N/A

- ***Directors and Officers Coverage: \$1,000,000. / Deductible: \$1,000.***

- ***Excess Liability/Umbrella Coverage: \$15,000,000. / SIR: \$0.***

- ***Workers Compensation Coverage: N/A***

- ***Flood Insurance Coverage: Clubhouse: N/A Residential: N/A***

- ***Earthquake/DIC Insurance Coverage: N/A***



This summary of the association's policies of insurance provides only certain information, as required by Section 5300 of the Civil Code, and should not be considered a substitute for the complete policy terms and conditions contained in the actual policies of insurance. Any association member may, upon request and provision of reasonable notice, review the association's insurance policies and, upon request and payment of reasonable duplication charges, obtain copies of those policies. Although the association maintains the policies of insurance specified in this summary, the association's policies of insurance may not cover your property, including personal property or real property improvements to or around your dwelling, or personal injuries or other losses that occur within or around your dwelling. Even if a loss is covered, you may nevertheless be responsible for paying all or a portion of any deductible that applies. Association members should consult with their individual insurance broker or agent for appropriate additional coverage.

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