



RESERVE STUDY

Update w/o Site Visit Review

Caughlin Ranch HOA

2021 Update- Final

Published - March 19, 2021

Prepared for the 2022 Fiscal Year

Browning Reserve Group

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March 19, 2021

This is a summary of the Reserve Study that has been performed for Caughlin Ranch HOA, (the "Association"). This study was conducted in compliance with Nevada *NRS 116.31151 and NRS 116.31152* and is being provided to you as a member of the Association. 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 prepared this Update w/o Site Visit Review for the January 1, 2022 - December 31, 2022 fiscal year.

Caughlin Ranch HOA is a Planned Community with a total of 2,293 Lots.

At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 1.25% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 1.25% 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.

This reserve study was produced under the responsible charge of Robert W Browning who, pursuant to Nevada regulation R145-06, is a Nevada Reserve Study Specialist (RSS #5).

Funding Assessment

Based on the 30 year cash flow projection, the Association's reserves appear adequately funded as the reserve fund ending balances remain positive throughout the replacement of all major components during the next 30 years.

Nevada statute imposes no reserve funding level requirements nor does it address funding level adequacy, and although one or more of the reserve fund percentages expressed in this report may be less than one hundred percent, those percentages do not necessarily indicate that the Association's reserves are inadequately funded.

The board of directors does not anticipate any special reserve assessment will be required during the current 30-year life of the reserve study to repair, replace, maintain or restore any major component or to provide adequate reserves. (*NAC 116.430 8*)

Caughlin Ranch HOA
Nevada Member Summary
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Reserve Component	Current Replacement Cost	Useful Life	Remaining Life	2021 Fully Funded Balance	2022 Fully Funded Balance	2022 Line Item Contribution based on Cash Flow Method
01000 - Paving	1,063,988	1-30	0-25	475,677	553,262	70,841
02000 - Concrete	4,480	6-8	1-3	3,588	4,237	434
03000 - Painting: Exterior	8,992	5-5	0-1	8,927	2,083	1,285
03500 - Painting: Interior	12,740	10-10	3-3	8,918	10,320	945
04000 - Structural Repairs	90,591	10-50	3-24	45,897	49,363	2,666
05000 - Roofing	32,118	25-30	0-18	18,118	17,040	1,024
08000 - Rehab	19,663	10-20	2-15	7,609	8,395	1,009
14000 - Recreation	1,094	10-10	1-1	984	1,107	79
17000 - Tennis Court	54,554	7-21	0-14	28,310	17,381	3,144
18000 - Landscaping	18,289	1-20	0-16	6,549	9,009	3,617
18500 - Lakes / Ponds	36,101	1-5	0-5	23,614	16,251	6,999
19000 - Fencing	22,814	10-30	6-19	6,655	7,870	958
19500 - Retaining Wall	8,100	2-25	1-22	1,667	3,048	1,022
20000 - Lighting	12,596	10-20	6-7	4,200	5,474	940
21000 - Signage	138,194	15-25	0-22	85,409	59,502	5,329
22000 - Office Equipment	87,623	3-9	0-5	48,114	57,687	11,193
23000 - Mechanical Equipment	24,017	15-15	1-7	15,513	17,328	1,222
24000 - Furnishings	69,715	10-15	0-14	47,415	46,770	4,048
24500 - Audio / Visual	1,823	10-10	3-3	1,276	1,476	135
24600 - Safety / Access	22,817	3-6	0-3	11,978	15,017	2,950
25000 - Flooring	39,328	10-20	0-14	33,037	7,980	2,366
25500 - Wallcoverings	6,026	20-20	6-6	4,218	4,576	232
26000 - Outdoor Equipment	389,028	3-30	0-19	96,407	121,331	21,445
27000 - Appliances	5,878	10-15	8-10	1,730	2,206	360
30000 - Miscellaneous	632,021	1-30	0-18	359,585	389,444	57,351
31000 - Reserve Study	10,418	5-5	0-4	4,727	5,681	1,540
32000 - Undesignated	2,306	1-1	0-0	2,306	1,167	824
Totals	\$2,815,311			\$1,352,427	\$1,435,005	\$203,958
Estimated Ending Balance				\$852,175	\$934,977	\$7.41
Percent Funded				63.0%	65.2%	/Lot/month @ 2293

30 Year Reserve Funding Plan Cash Flow Method

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	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Beginning Balance	715,855	852,175	934,977	868,670	818,814	785,806	901,266	816,780	952,031	906,315
Inflated Expenditures @ 1.3%	179,919	132,256	287,383	276,296	265,197	123,685	330,454	117,856	306,402	316,946
Reserve Contribution	198,210	203,958	209,873	215,959	222,222	228,666	235,297	242,121	249,143	256,368
<i>Lots/month @ 2293</i>	7.20	7.41	7.63	7.85	8.08	8.31	8.55	8.80	9.05	9.32
<i>Percentage Increase</i>		2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Special Assessments / Other	108,290 ¹	0	0	0	0	0	0	0	0	0
Interest After Tax @ 1.25%	9,739	11,100	11,203	10,481	9,967	10,479	10,671	10,986	11,543	10,950
Ending Balance	852,175	934,977	868,670	818,814	785,806	901,266	816,780	952,031	906,315	856,686

1) In 2021, \$108,290 will be reimbursed from the City of Reno for the 2020 Village Green Park improvements.

	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040
Beginning Balance	856,686	808,787	621,419	733,525	712,229	785,886	883,619	916,729	975,723	1,058,846
Inflated Expenditures @ 1.3%	322,047	467,704	175,635	317,701	231,408	216,974	291,235	275,006	261,104	523,620
Reserve Contribution	263,803	271,453	279,325	287,425	295,760	304,337	313,163	322,245	331,590	341,206
<i>Lots/month @ 2293</i>	9.59	9.87	10.15	10.45	10.75	11.06	11.38	11.71	12.05	12.40
<i>Percentage Increase</i>	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest After Tax @ 1.25%	10,345	8,883	8,416	8,980	9,305	10,370	11,182	11,754	12,637	12,095
Ending Balance	808,787	621,419	733,525	712,229	785,886	883,619	916,729	975,723	1,058,846	888,528

	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050
Beginning Balance	888,528	1,030,461	1,080,392	1,144,448	1,220,344	1,252,886	1,407,899	1,574,269	1,817,502	2,028,240
Inflated Expenditures @ 1.3%	221,086	324,464	321,522	321,334	376,455	266,563	268,949	206,716	254,470	497,198
Reserve Contribution	351,101	361,283	371,760	382,541	393,635	405,050	416,796	428,883	441,321	454,119
<i>Lots/month @ 2293</i>	12.76	13.13	13.51	13.90	14.31	14.72	15.15	15.59	16.04	16.50
<i>Percentage Increase</i>	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%	2.9%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest After Tax @ 1.25%	11,919	13,111	13,819	14,688	15,362	16,527	18,523	21,067	23,887	25,084
Ending Balance	1,030,461	1,080,392	1,144,448	1,220,344	1,252,886	1,407,899	1,574,269	1,817,502	2,028,240	2,010,245