



RESERVE STUDY

Member Distribution Materials

Caughlin Creek / Deer Creek

Update w/o Site Visit Review

2022 Update

Published - May 11, 2022

Prepared for the 2023 Fiscal Year

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May 11, 2022

This is a summary of the Reserve Study that has been performed for Caughlin Creek / Deer Creek, (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, LLC prepared this Update w/o Site Visit Review for the January 1, 2023 - December 31, 2023 fiscal year.

Caughlin Creek / Deer Creek is a Planned Community with a total of 178 Units.

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 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.

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 Creek / Deer Creek
Nevada Member Summary
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<i>Reserve Component</i>	<i>Current Replacement Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>	<i>2022 Fully Funded Balance</i>	<i>2023 Fully Funded Balance</i>	<i>2023 Line Item Contribution based on Cash Flow Method</i>
01000 - Paving	878,786	2-27	1-23	533,104	598,428	33,483
02000 - Concrete	116,670	5-30	1-28	46,866	53,658	3,899
04000 - Structural Repairs	2,241	20-20	17-17	336	459	84
11000 - Gate Equipment	74,605	8-12	1-9	39,451	49,067	4,599
18500 - Lakes / Ponds	6,260	1-1	1-1	3,130	6,417	1,579
20000 - Lighting	41,551	20-40	5-19	28,942	30,840	744
21000 - Signage	4,486	20-20	2-2	4,037	4,368	116
24600 - Safety / Access	7,792	6-6	3-3	3,896	5,325	688
31000 - Reserve Study	1,606	1-5	0-3	942	1,192	363
Totals	\$1,133,997			\$660,705	\$749,755	\$45,556
Estimated Ending Balance				\$634,139	\$388,250	\$21.33
Percent Funded				96.0%	51.8%	/Unit/month @ 178

	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Beginning Balance	583,893	634,139	388,250	390,452	368,618	419,545	448,623	142,175	148,995	203,354
Inflated Expenditures @ 2.5%	500	297,796	50,696	77,254	7,462	32,751	369,657	57,804	14,100	183,876
Reserve Contribution	43,181	45,556	48,062	50,705	53,494	56,436	59,540	62,815	66,270	69,915
<i>Units/month @ 178</i>	20.22	21.33	22.50	23.74	25.04	26.42	27.87	29.41	31.03	32.73
<i>Percentage Increase</i>	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 1.25%	7,565	6,350	4,837	4,715	4,895	5,392	3,670	1,809	2,189	1,830
Ending Balance	634,139	388,250	390,452	368,618	419,545	448,623	142,175	148,995	203,354	91,222
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Beginning Balance	91,222	153,102	158,164	228,586	285,064	365,693	248,218	329,273	406,538	513,182
Inflated Expenditures @ 2.5%	13,398	74,688	14,076	33,325	14,789	217,690	24,236	34,603	12,268	99,337
Reserve Contribution	73,760	77,817	82,097	86,612	91,376	96,402	101,704	107,298	113,199	119,425
<i>Units/month @ 178</i>	34.53	36.43	38.43	40.55	42.78	45.13	47.61	50.23	53.00	55.91
<i>Percentage Increase</i>	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 1.25%	1,518	1,933	2,402	3,190	4,042	3,813	3,587	4,570	5,713	6,540
Ending Balance	153,102	158,164	228,586	285,064	365,693	248,218	329,273	406,538	513,182	539,810
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Beginning Balance	539,810	662,191	189,911	313,914	416,985	566,953	678,955	280,020	342,171	384,394
Inflated Expenditures @ 2.5%	11,077	610,496	19,361	49,416	12,227	60,406	578,617	124,995	155,650	68,164
Reserve Contribution	125,993	132,923	140,234	147,947	156,084	164,669	173,726	183,281	193,361	203,996
<i>Units/month @ 178</i>	58.99	62.23	65.65	69.26	73.07	77.09	81.33	85.81	90.52	95.50
<i>Percentage Increase</i>	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 1.25%	7,466	5,293	3,129	4,540	6,111	7,739	5,956	3,865	4,513	5,654
Ending Balance	662,191	189,911	313,914	416,985	566,953	678,955	280,020	342,171	384,394	525,880