



RESERVE STUDY

Member Distribution Materials

Whispering Canyon at Caughlin Ranch

Update w/o Site Visit Review

2023 Update

Published - May 23, 2023

Prepared for the 2024 Fiscal Year

Section	Report	Page
	<i>Nevada: Member Summary</i>	1
<i>Section III: 30 Year Reserve Funding Plan</i>	<i>Cash Flow Method {c}</i>	3

May 23, 2023

This is a summary of the Reserve Study that has been performed for Whispering Canyon at Caughlin Ranch, (the "Association") which is a Planned Community with a total of 44 Lots. 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, 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 1.25% 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)

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<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	398,290	1-25	1-20	122,744	152,117	23,758
02000 - Concrete	2,874	8-8	7-7	359	737	290
03000 - Painting: Exterior	5,470	5-6	1-5	2,523	3,607	729
04000 - Structural Repairs	14,713	2-25	1-20	3,897	6,097	1,621
11000 - Gate Equipment	71,665	8-30	4-24	26,673	33,532	5,002
18000 - Landscaping	39,962	3-25	1-19	19,398	25,623	4,197
19000 - Fencing	18,396	10-30	6-26	3,617	4,635	927
19500 - Retaining Wall	2,120	2-2	1-1	1,060	2,173	738
20000 - Lighting	4,770	15-15	9-9	1,908	2,282	270
21000 - Signage	13,250	15-15	9-9	5,300	6,338	749
30000 - Miscellaneous	8,904	25-25	21-21	1,425	1,825	406
31000 - Reserve Study	1,484	5-5	3-3	594	913	217
Totals	\$581,898			\$189,497	\$239,878	\$38,905
Estimated Ending Balance				\$151,938	\$100,218	\$73.68
Percent Funded				80.2%	41.8%	/Lot/month @ 44

30 Year Reserve Funding Plan Cash Flow Method

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	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Beginning Balance	116,120	151,938	100,218	145,401	177,781	201,262	246,815	263,918	209,154	259,922
Inflated Expenditures @ 2.5%	0	92,191	0	18,036	28,735	8,587	38,968	112,187	8,266	34,948
Reserve Contribution	34,153	38,905	43,657	48,409	49,861	51,357	52,898	54,485	56,120	57,804
<i>Lots/month @ 44</i>	64.68	73.68	82.68	91.68	94.43	97.27	100.19	103.19	106.29	109.48
<i>Percentage Increase</i>	13.9%		12.2%	10.9%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 1.25%	1,665	1,566	1,526	2,007	2,354	2,783	3,172	2,938	2,914	3,392
Ending Balance	151,938	100,218	145,401	177,781	201,262	246,815	263,918	209,154	259,922	286,169

	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Beginning Balance	286,169	348,018	386,701	421,586	380,794	452,983	507,380	513,403	581,883	654,403
Inflated Expenditures @ 2.5%	1,628	27,204	33,300	110,835	0	20,590	71,409	11,548	10,581	155,733
Reserve Contribution	59,538	61,324	63,164	65,059	67,011	69,021	71,092	73,225	75,422	77,685
<i>Lots/month @ 44</i>	112.76	116.14	119.63	123.22	126.91	130.72	134.64	138.68	142.84	147.13
<i>Percentage Increase</i>	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 1.25%	3,939	4,563	5,020	4,984	5,179	5,965	6,340	6,803	7,679	7,692
Ending Balance	348,018	386,701	421,586	380,794	452,983	507,380	513,403	581,883	654,403	584,047

	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Beginning Balance	584,047	83,019	112,885	197,511	254,888	277,314	236,782	263,775	346,568	386,968
Inflated Expenditures @ 2.5%	585,188	53,767	2,190	32,868	70,938	136,484	71,659	19,408	65,517	15,531
Reserve Contribution	80,016	82,416	84,888	87,435	90,058	92,760	95,543	98,409	101,361	104,402
<i>Lots/month @ 44</i>	151.55	156.09	160.77	165.60	170.56	175.68	180.95	186.38	191.97	197.73
<i>Percentage Increase</i>	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 1.25%	4,143	1,217	1,928	2,810	3,306	3,193	3,109	3,791	4,556	5,393
Ending Balance	83,019	112,885	197,511	254,888	277,314	236,782	263,775	346,568	386,968	481,231