



RESERVE STUDY

Member Distribution Materials

Caughlin Ranch HOA

Update w/o Site Visit Review

2024 Update

Published - June 10, 2024

Prepared for the 2025 Fiscal Year

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June 10, 2024

This is a summary of the Reserve Study that has been performed for Caughlin Ranch HOA, (the "Association") which is a Planned Community with a total of 2,293 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, 2025 - December 31, 2025 fiscal year. At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 2.50% 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.

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. 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*)

Reserve Component	Current Replacement Cost	Useful Life	Remaining Life	2024 Fully Funded Balance	2025 Fully Funded Balance	2025 Line Item Contribution based on Cash Flow Method
01000 - Paving	1,136,938	1-30	0-22	664,550	583,695	91,394
02000 - Concrete	5,235	6-8	1-3	3,488	4,290	805
03000 - Painting: Exterior	13,702	5-5	4-4	2,740	5,618	3,280
03500 - Painting: Interior	14,887	10-10	1-1	13,399	15,260	1,655
04000 - Structural Repairs	405,860	10-50	0-21	363,709	75,246	11,892
05000 - Roofing	37,773	25-30	1-24	22,344	24,402	2,083
08000 - Rehab	56,790	1-20	0-19	36,778	12,729	2,848
14000 - Recreation	1,278	10-10	1-1	1,150	1,310	142
17000 - Tennis Court	74,990	7-21	4-11	34,329	41,677	8,073
18000 - Landscaping	21,371	1-20	1-13	8,207	13,404	5,665
18500 - Lakes / Ponds	30,587	1-5	1-2	17,660	26,501	9,239
19000 - Fencing	26,659	10-30	3-16	11,695	13,326	1,900
19500 - Retaining Wall	9,465	2-25	1-19	3,995	5,704	1,876
20000 - Lighting	18,776	10-20	3-19	2,633	4,389	2,285
21000 - Signage	162,430	1-25	0-19	113,570	115,355	10,119
22000 - Office Equipment	110,194	1-9	0-5	73,895	90,074	21,060
23000 - Mechanical Equipment	45,423	15-15	1-14	24,256	27,966	3,939
24000 - Furnishings	88,419	10-15	1-12	64,615	73,147	8,024
24500 - Audio / Visual	2,130	10-10	1-1	1,917	2,183	237
24600 - Safety / Access	23,029	3-6	1-3	18,031	22,643	4,539
25000 - Flooring	34,561	10-20	8-17	11,554	14,454	3,459
25500 - Wallcoverings	7,042	20-20	3-3	5,986	6,496	411
26000 - Outdoor Equipment	458,204	1-30	0-16	194,809	222,399	41,522
27000 - Appliances	6,501	10-15	7-9	2,755	3,324	640
30000 - Miscellaneous	812,702	1-30	0-19	497,213	579,477	94,821
31000 - Reserve Study	12,084	5-5	0-4	8,113	9,358	2,730
32000 - Undesignated	1,347	1-1	1-1	674	1,381	749
Totals	\$3,618,379			\$2,204,062	\$1,995,806	\$335,385
Estimated Ending Balance				\$379,175	\$107,848	\$12.19
Percent Funded				17.2%	5.4%	/Lot/month @ 2293

	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
Beginning Balance	643,046	379,175	107,848	287,804	273,402	512,142	553,682	610,935	630,792	501,255
Inflated Expenditures @ 2.5%	500,081	612,725	170,039	376,450	136,375	347,632	344,043	393,612	553,198	277,649
Reserve Contribution	223,590	335,385	345,111	355,119	365,417	376,014	386,918	398,139	409,685	421,566
<i>Lots/month @ 2293</i>	8.13	12.19	12.54	12.91	13.28	13.67	14.06	14.47	14.89	15.32
<i>Percentage Increase</i>	50.0%	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 Pre Tax @ 2.50%	12,620	6,013	4,885	6,928	9,698	13,158	14,378	15,330	13,976	14,330
Ending Balance	379,175	107,848	287,804	273,402	512,142	553,682	610,935	630,792	501,255	659,502
	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043
Beginning Balance	659,502	817,070	791,685	1,112,504	1,090,859	1,196,179	1,409,211	1,163,627	1,467,841	1,658,805
Inflated Expenditures @ 2.5%	294,453	491,617	162,005	521,483	409,256	319,580	792,305	258,167	392,896	608,559
Reserve Contribution	433,791	446,371	459,316	472,636	486,342	500,446	514,959	529,893	545,260	561,073
<i>Lots/month @ 2293</i>	15.77	16.22	16.69	17.18	17.67	18.19	18.71	19.26	19.82	20.39
<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 Pre Tax @ 2.50%	18,229	19,861	23,509	27,202	28,235	32,165	31,763	32,487	38,601	40,877
Ending Balance	817,070	791,685	1,112,504	1,090,859	1,196,179	1,409,211	1,163,627	1,467,841	1,658,805	1,652,196
	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053
Beginning Balance	1,652,196	1,966,635	1,963,678	2,264,897	2,350,303	2,914,372	3,099,380	3,077,972	3,376,601	3,699,278
Inflated Expenditures @ 2.5%	307,582	645,565	362,302	600,615	148,214	555,293	783,045	486,306	490,380	449,370
Reserve Contribution	577,344	594,087	611,316	629,044	647,286	666,057	685,373	705,249	725,701	746,746
<i>Lots/month @ 2293</i>	20.98	21.59	22.22	22.86	23.52	24.21	24.91	25.63	26.37	27.14
<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 Pre Tax @ 2.50%	44,677	48,522	52,205	56,978	64,996	74,244	76,264	79,686	87,357	96,199
Ending Balance	1,966,635	1,963,678	2,264,897	2,350,303	2,914,372	3,099,380	3,077,972	3,376,601	3,699,278	4,092,853