



**RESERVE STUDY**

Member Distribution Materials

**Whispering Canyon at  
Caughlin Ranch**

*Update w/o Site Visit Review*

2024 Update

Published - June 04, 2024

Prepared for the 2025 Fiscal Year

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June 04, 2024

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, 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*)

Whispering Canyon at Caughlin Ranch  
Nevada Member Summary  
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| <i>Reserve Component</i>          | <i>Current<br/>Replacement<br/>Cost</i> | <i>Useful<br/>Life</i> | <i>Remaining<br/>Life</i> | <i>2024<br/>Fully<br/>Funded<br/>Balance</i> | <i>2025<br/>Fully<br/>Funded<br/>Balance</i> | <i>2025<br/>Line Item<br/>Contribution<br/>based on<br/>Cash Flow Method</i> |
|-----------------------------------|---|------------------------|---------------------------|--|--|--|
| <b>01000 - Paving</b>             | <b>459,526</b>                          | <b>1-25</b>            | <b>0-19</b>               | <b>135,017</b>                               | <b>112,612</b>                               | <b>24,454</b>  |
| <b>02000 - Concrete</b>           | <b>3,047</b>                            | <b>8-8</b>             | <b>6-6</b>                | <b>762</b>                                   | <b>1,171</b>                                 | <b>304</b>   |
| <b>03000 - Painting: Exterior</b> | <b>5,798</b>                            | <b>5-6</b>             | <b>1-4</b>                | <b>3,191</b>                                 | <b>4,353</b>                                 | <b>772</b>   |
| <b>04000 - Structural Repairs</b> | <b>15,596</b>                           | <b>2-25</b>            | <b>1-19</b>               | <b>4,619</b>                                 | <b>6,964</b>                                 | <b>1,725</b>   |
| <b>11000 - Gate Equipment</b>     | <b>88,778</b>                           | <b>1-30</b>            | <b>0-23</b>               | <b>44,210</b>                                | <b>38,746</b>                                | <b>5,295</b>   |
| <b>18000 - Landscaping</b>        | <b>41,124</b>                           | <b>3-25</b>            | <b>0-18</b>               | <b>24,363</b>                                | <b>20,554</b>                                | <b>4,237</b>   |
| <b>19000 - Fencing</b>            | <b>19,500</b>                           | <b>10-30</b>           | <b>5-25</b>               | <b>4,793</b>                                 | <b>5,896</b>                                 | <b>970</b>   |
| <b>19500 - Retaining Wall</b>     | <b>2,247</b>                            | <b>2-2</b>             | <b>1-1</b>                | <b>1,124</b>                                 | <b>2,303</b>                                 | <b>792</b>   |
| <b>20000 - Lighting</b>           | <b>5,056</b>                            | <b>15-15</b>           | <b>8-8</b>                | <b>2,360</b>                                 | <b>2,764</b>                                 | <b>282</b>   |
| <b>21000 - Signage</b>            | <b>14,045</b>                           | <b>15-15</b>           | <b>8-8</b>                | <b>6,554</b>                                 | <b>7,678</b>                                 | <b>784</b>   |
| <b>30000 - Miscellaneous</b>      | <b>9,438</b>                            | <b>25-25</b>           | <b>20-20</b>              | <b>1,888</b>                                 | <b>2,322</b>                                 | <b>425</b>   |
| <b>31000 - Reserve Study</b>      | <b>1,873</b>                            | <b>1-5</b>             | <b>0-2</b>                | <b>1,244</b>                                 | <b>1,290</b>                                 | <b>227</b>   |
| Totals                            | <b>\$666,027</b>                        |                        |                           | <b>\$230,124</b>                             | <b>\$206,652</b>                             | <b>\$40,267</b>  |
| Estimated Ending Balance          |   |                        |                           | <b>\$157,774</b>                             | <b>\$193,860</b>                             | <b>\$76.26</b>   |
| Percent Funded                    |   |                        |                           | <b>68.6%</b>                                 | <b>93.8%</b>                                 | /Lot/month @ 44  |

|                                     | 2024    | 2025    | 2026    | 2027    | 2028    | 2029    | 2030    | 2031    | 2032    | 2033    |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| <b>Beginning Balance</b>            | 179,427 | 157,774 | 193,860 | 222,975 | 269,773 | 285,908 | 299,425 | 240,647 | 285,421 | 308,944 |
| <b>Inflated Expenditures @ 2.5%</b> | 64,721  | 8,523   | 17,707  | 2,420   | 35,370  | 39,917  | 113,271 | 11,219  | 35,046  | 2,806   |
| <b>Reserve Contribution</b>         | 38,905  | 40,267  | 41,676  | 43,135  | 44,645  | 46,208  | 47,825  | 49,499  | 51,231  | 53,024  |
| <i>Lots/month @ 44</i>              | 73.68   | 76.26   | 78.93   | 81.70   | 84.55   | 87.52   | 90.58   | 93.75   | 97.03   | 100.42  |
| <i>Percentage Increase</i>          | 3.5%    | 3.5%    | 3.5%    | 3.5%    | 3.5%    | 3.5%    | 3.5%    | 3.5%    | 3.5%    | 3.5%    |
| <b>Special Assessments / Other</b>  | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| <b>Interest Pre Tax @ 2.50%</b>     | 4,163   | 4,341   | 5,146   | 6,083   | 6,860   | 7,226   | 6,668   | 6,495   | 7,338   | 8,351   |
| <b>Ending Balance</b>               | 157,774 | 193,860 | 222,975 | 269,773 | 285,908 | 299,425 | 240,647 | 285,421 | 308,944 | 367,513 |
| <hr/>                               |         |         |         |         |         |         |         |         |         |         |
| <b>Beginning Balance</b>            | 367,513 | 411,791 | 471,238 | 397,649 | 466,061 | 521,204 | 529,908 | 598,693 | 667,738 | 602,537 |
| <b>Inflated Expenditures @ 2.5%</b> | 20,222  | 8,256   | 143,105 | 3,098   | 20,023  | 69,453  | 12,610  | 16,413  | 153,151 | 566,805 |
| <b>Reserve Contribution</b>         | 54,880  | 56,801  | 58,789  | 60,847  | 62,977  | 65,181  | 67,462  | 69,823  | 72,267  | 74,796  |
| <i>Lots/month @ 44</i>              | 103.94  | 107.58  | 111.34  | 115.24  | 119.27  | 123.45  | 127.77  | 132.24  | 136.87  | 141.66  |
| <i>Percentage Increase</i>          | 3.5%    | 3.5%    | 3.5%    | 3.5%    | 3.5%    | 3.5%    | 3.5%    | 3.5%    | 3.5%    | 3.5%    |
| <b>Special Assessments / Other</b>  | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| <b>Interest Pre Tax @ 2.50%</b>     | 9,621   | 10,902  | 10,727  | 10,663  | 12,188  | 12,977  | 13,933  | 15,635  | 15,682  | 8,913   |
| <b>Ending Balance</b>               | 411,791 | 471,238 | 397,649 | 466,061 | 521,204 | 529,908 | 598,693 | 667,738 | 602,537 | 119,442 |
| <hr/>                               |         |         |         |         |         |         |         |         |         |         |
| <b>Beginning Balance</b>            | 119,442 | 108,984 | 184,425 | 242,502 | 254,765 | 217,445 | 244,103 | 322,775 | 411,953 | 460,690 |
| <b>Inflated Expenditures @ 2.5%</b> | 90,692  | 8,304   | 30,121  | 79,705  | 131,983 | 70,981  | 23,487  | 18,384  | 63,975  | 7,358   |
| <b>Reserve Contribution</b>         | 77,414  | 80,123  | 82,927  | 85,829  | 88,833  | 91,942  | 95,160  | 98,491  | 101,938 | 105,506 |
| <i>Lots/month @ 44</i>              | 146.62  | 151.75  | 157.06  | 162.55  | 168.24  | 174.13  | 180.23  | 186.54  | 193.06  | 199.82  |
| <i>Percentage Increase</i>          | 3.5%    | 3.5%    | 3.5%    | 3.5%    | 3.5%    | 3.5%    | 3.5%    | 3.5%    | 3.5%    | 3.5%    |
| <b>Special Assessments / Other</b>  | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       | 0       |
| <b>Interest Pre Tax @ 2.50%</b>     | 2,820   | 3,622   | 5,271   | 6,139   | 5,830   | 5,698   | 6,999   | 9,071   | 10,773  | 12,744  |
| <b>Ending Balance</b>               | 108,984 | 184,425 | 242,502 | 254,765 | 217,445 | 244,103 | 322,775 | 411,953 | 460,690 | 571,582 |