CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION

Reno, Nevada

FINANCIAL STATEMENTS

AND

INDEPENDENT AUDITORS' REPORT

December 31, 2025 and 2024

CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION

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McClintock
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Caughlin Ranch Homeowners' Association
Reno, Nevada

Opinion

We have audited the accompanying financial statements of Caughlin Ranch Homeowners' Association, which comprise the balance sheet as of December 31, 2025, and the related statements of revenue and expenses and changes in fund balance and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Caughlin Ranch Homeowners' Association as of December 31, 2025, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Caughlin Ranch Homeowners' Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Caughlin Ranch Homeowners' Association's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Caughlin Ranch Homeowners' Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Caughlin Ranch Homeowners' Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Revenue and Expenses – Actual and Budgeted on page 14 is presented only for supplementary analysis purposes. The budgeted information has not been subjected to any procedures applied in the audit of the basic financial statements, but was compiled from information that is the representation of the Association. Accordingly, we do not express an opinion on the budgeted operating revenue and expense information.

Disclaimer of Opinion on Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Required Supplementary Information on Future Major Repairs and Replacements on pages 15 and 16 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Financial Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Comparative Information

Information for the year ended December 31, 2024 is presented for comparative purposes only and was extracted from the financial statements presented for that year, on which we expressed an unmodified opinion on our report dated March 13, 2025.

McClintock Accountancy Corporation

McCLINTOCK ACCOUNTANCY CORPORATION
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March 13, 2026

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CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION

Exhibit A

BALANCE SHEETS
December 31, 2025 (with comparative totals for 2024)

	2025			2024
	Operating Fund	Replacement Fund	Total	Total
ASSETS				
Cash and cash equivalents	$ 897,998	$ 775,925	$ 1,673,923	$ 1,425,891
Certificates of deposit (Note 4)	-0-	230,334	230,334	220,972
U.S. treasuries (Note 4)	-0-	300,000	300,000	95,763
Assessments receivable, net of allowance for credit losses of $42,471 in 2025 and $53,384 in 2024	21,013	-0-	21,013	11,715
Interest receivable	-0-	6,463	6,463	382
Other receivables	2,934	-0-	2,934	3,640
Prepaid expenses	106,359	-0-	106,359	97,217
Property and equipment, net (Note 6)	881,716	-0-	881,716	895,546
Total Assets	$ 1,910,020	$ 1,312,722	$ 3,222,742	$ 2,751,126
LIABILITIES AND FUND BALANCES				
Accounts payable	$ 53,330	$ -0-	$ 53,330	$ 47,700
Accrued liabilities	48,498	-0-	48,498	57,850
Note payable (Note 10)	69,368	-0-	69,368	103,103
Homeowner security deposits	76,000	-0-	76,000	67,500
Assessments paid in advance	510,099	-0-	510,099	568,855
Total Liabilities	757,295	-0-	757,295	845,008
Fund Balances	1,152,725	1,312,722	2,465,447	1,906,118
Total Liabilities and Fund Balances	$ 1,910,020	$ 1,312,722	$ 3,222,742	$ 2,751,126

The accompanying notes are an integral part of these statements.

Exhibit B

STATEMENTS OF REVENUE AND EXPENSES AND CHANGES IN FUND BALANCES

For the Year Ended December 31, 2025 (with comparative totals for 2024)

	2025			2024
	Operating Fund	Replacement Fund	Total	Total
Revenue				
Member assessments	$ 3,005,538	$ 465,010	$ 3,470,548	$ 2,891,940
Transfer fee income	17,800	-0-	17,800	22,400
Landscape contract services	76,877	-0-	76,877	91,610
Fines and penalties	34,200	-0-	34,200	11,400
Other income	74,437	-0-	74,437	87,035
Insurance claim revenue	-0-	5,596	5,596	-0-
Late fees	36,314	-0-	36,314	24,506
Gain on disposal of assets	-0-	-0-	-0-	2,500
Investment income	6,054	20,912	26,966	29,441
Total Revenue	3,251,220	491,518	3,742,738	3,160,832
Expenses				
General and administrative	434,699	-0-	434,699	495,402
Payroll and benefits	1,776,669	-0-	1,776,669	1,721,876
Interest expense	3,559	-0-	3,559	4,913
Irrigation	263,562	-0-	263,562	276,541
Repairs and maintenance	395,214	-0-	395,214	448,364
Insurance	128,887	-0-	128,887	115,269
Loss on disposal of assets	8,497	-0-	8,497	-0-
Utilities	63,587	-0-	63,587	59,681
Replacement	-0-	51,443	51,443	648,836
Total Expenses	3,074,674	51,443	3,126,117	3,770,882
Revenue Over (Under) Expenses, Before Depreciation	176,546	440,075	616,621	(610,050)
Depreciation	57,292	-0-	57,292	52,319
Revenue Over (Under) Expenses	119,254	440,075	559,329	(662,369)
Equity Transfer, Capitalized Replacements	51,959	(51,959)	-0-	-0-
Fund Balances, Beginning of Year	981,512	924,606	1,906,118	2,568,487
Fund Balances, End of Year	$ 1,152,725	$ 1,312,722	$ 2,465,447	$ 1,906,118

The accompanying notes are an integral part of these statements.

Exhibit C

STATEMENTS OF CASH FLOWS
For the Year Ended December 31, 2025 (with comparative totals for 2024)

	2025			2024
	Operating Fund	Replacement Fund	Total	Total
Reconciliation of Revenue Over (Under) Expenses to Net Cash Provided (Used) by Operating Activities:				
Revenue Over (Under) Expenses	$ 119,254	$ 440,075	$ 559,329	$ (662,369)
Adjustments:				
Depreciation	57,292	-0-	57,292	52,319
Investment amortization	-0-	(4,239)	(4,239)	(19,909)
Loss on disposal of assets	8,497	-0-	8,497	-0-
Credit loss expense (recovery)	(10,913)	-0-	(10,913)	15,484
Change in assessments receivable	1,615	-0-	1,615	(18,117)
Change in other receivable	706	(6,079)	(5,373)	(118)
Change in prepaid expenses	(9,143)	-0-	(9,143)	(10,510)
Change in accounts payable	5,631	-0-	5,631	(1,477)
Change in accrued and other liabilities	(59,608)	-0-	(59,608)	(81,373)
Total Adjustments	(5,923)	(10,318)	(16,241)	(63,701)
Net Cash Provided (Used) by Operating Activities	113,331	429,757	543,088	(726,070)
Cash Flows from Investing Activities:				
Maturities of certificates of deposit	-0-	220,972	220,972	220,970
Purchase of certificates of deposit	-0-	(230,334)	(230,334)	(220,970)
Maturities of U.S. treasuries	-0-	100,000	100,000	400,000
Purchase of U.S. treasuries	-0-	(300,000)	(300,000)	(195,763)
Purchase of property and equipment	-0-	(51,959)	(51,959)	(31,762)
Net Cash Provided (Used) by Investing Activities	-0-	(261,321)	(261,321)	172,475
Cash Flows from Financing Activities:				
Payment on long term debt	(33,735)	-0-	(33,735)	(32,380)
Net Cash Used by Financing Activities	(33,735)	-0-	(33,735)	(32,380)
Net Increase (Decrease) in Cash and Cash Equivalents	79,596	168,436	248,032	(585,975)
Cash and Cash Equivalents, Beginning of Year	818,402	607,489	1,425,891	2,011,866
Cash and Cash Equivalents, End of Year	$ 897,998	$ 775,925	$ 1,673,923	$ 1,425,891
Supplementary Information:				
Income taxes paid	$ 13,517	$ -0-	$ 13,517	$ 9,300
Interest paid	$ 3,559	$ -0-	$ 3,559	$ 4,913

The accompanying notes are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

1. Form and Nature of Organization

Caughlin Ranch Homeowners' Association (the "Association") is a non-profit corporation organized under the laws of the State of Nevada on July 31, 1984. The Association is a 2,300 acre planned unit development located in Reno, Nevada. The Association consists of 2,263 residential and 30 commercial members. The Association was organized to provide management services and maintenance of certain common use areas within the development, and is supported by assessments of the lots in the development.

2. Summary of Significant Accounting Policies

A. The Association's governing documents and policies adopted by the Board of Directors provide certain guidelines for controlling its financial activities. To ensure observance of limitations and restrictions on the use of financial resources, the Association maintains its accounts on the fund accounting basis. Financial resources are classified for accounting and reporting purposes in the following funds established according to their nature and purpose.

Operating Fund - Used to account for financial resources available for the general operations of the Association.

Replacement Fund - Used to accumulate financial resources designated for future major repairs and replacements.

B. Certain real property owned by the Association is capitalized on the Association's financial statements. This includes the maintenance building, the administrative building, and the land on which the buildings are constructed. Other real property is not capitalized.

The Association is responsible for the operations and replacement of certain real property improvements, consisting mainly of roads, retaining walls, walking trails and greenbelts. This property consists of approximately 120 improved acres of walking trails, access to roads, and greenbelts and 800 unimproved acres.

Personal property, such as furnishings and equipment, when acquired, is recorded at cost and depreciated using the straight-line method over their estimated useful lives ranging from 3 to 39 years.

C. Deferred income represents dues paid in the current period applicable to the following period.

D. Association members are subject to assessments that provide funds for the Association's operating expenses and major repairs and replacements. For administrative convenience, assessments are paid on a quarterly basis using coupon books. Assessments receivable at the balance sheet date represent fees due from residential and non-residential members.

NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

The Association's policy includes, among other things, assessing late charges and interest on delinquent assessments and retaining legal counsel to place liens on the property of lot owners whose assessments are ninety days in arrears and therefore considered delinquent.

The Association treats uncollectible assessments as credit losses. Methods, inputs, and assumptions used to evaluate when assessments are considered uncollectible include closely monitoring of outstanding assessment balances by management, member payment history of outstanding assessment balances, and susceptibility to factors outside the Association's control. An allowance for credit losses is created when an account's collectability is uncertain. Accounts are written off when the Association's management determines that an account is uncollectible due to an event such as bankruptcy or foreclosure proceedings.

Allowance for credit losses as of December 31 was as follows:

	2025	2024
Beginning balance	$ 53,384	$ 37,900
Credit loss expense (recovery)	(10,913)	15,484
Ending allowance for credit losses	$ 42,471	$ 53,384

E. Association has adopted the provisions of Accounting Standards Codification Topic 606, Revenue from Contracts with Customers, ("Topic 606" in the Accounting Standards Codification (ASC)). Topic 606 superseded the revenue recognition requirements in FASB ASC 972-605, Real Estate—Common Interest Realty Associations, Revenue Recognition. Under Topic 606, the Association must identify a contract with a customer, among other things, and recognize revenue as the Association satisfies a performance obligation.

As described in Note 2. D., Association members are subject to assessments that provide funds for the Association's operating expenses and major repairs and replacements. Association management has considered Topic 606 and concluded that Association members are not customers as defined in the ASC. As such, all assessment revenue, including amounts allocated to the replacement fund, is recognized in the period in which it is assessed, regardless of when it is collected or expended.

F. Contract revenue consists of management and landscaping contracts with other associations. This revenue is recognized as the performance obligations are satisfied, in accordance with Topic 606, at transaction amounts expected to be collected. The Association's performance obligations related to its contract revenue is satisfied on a monthly basis as services are performed. A contract liability (income received in advance) is recorded when the Association has the right to receive payment in advance of the performance obligations related to the income.

Substantially all of the Association's contract revenue pertains to services that were completed prior to December 31, 2025, therefore the balance of the Association's contract liabilities was $-0- as of December 31, 2025 and 2024. No significant revenue was recognized in the current year resulting from performance obligations satisfied in previous periods.

G. The Association may elect to be taxed as either a regular corporation or as a homeowners association. As a regular corporation, member revenue can be offset to the extent of member expenses. In general, assessments allocated for future major repairs and replacements can be set aside on a tax-free basis if applicable guidelines are followed. Additionally, other amounts received by the Association, such as investment income, are taxed net of related expenses for federal purposes. Similar rules exist for treatment as a homeowners association. For the years ended December 31, 2025 and 2024, the Association filed as a homeowners association. The Association's three previous federal tax returns are available for examination by the taxing authorities.

For the years ended December 31, 2025 and 2024, the provision for income taxes was $12,822 and $7,269, respectively.

H. For purposes of the Statements of Cash Flows, cash and cash equivalents is defined as amounts held in the checking accounts and money market accounts.

I. The carrying amounts of financial instruments, including cash, accounts receivable and accounts payable approximate their fair value due to the short term maturities of these instruments.

J. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. In 2023, the Association implemented ASU 2016-13 Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASC 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss ("CECL") methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current conditions, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost, including held-to-maturity debt securities, and accounts receivable. Financial assets measured at amortized cost will be presented at the amount expected to be collected, net of an allowance for credit losses. There were no transition adjustments required to be made as a result of implementing the new standard.

NOTES TO FINANCIAL STATEMENTS
December 31, 2025 and 2024

3. Concentration of Credit Risk

The Association maintains demand and savings accounts at various banks. At December 31, 2025 and 2024, specific accounts exceeded the federally insured limits. In general, the Association has varying types and levels of safety protection in place covering cash and cash equivalents, as well as investments. Funds in excess of FDIC insurance coverage limits are covered by a third party issued surety bond. The Association also holds investments that are not FDIC insured, but are obligations of the United States government.

4. Investments

At December 31, 2025, Association investments consisted of debt securities held-to-maturity. Varying types and levels of safety protection cover the various Association investments, including FDIC insurance, SIPC insurance, privately funded bank insurance, and the backing of the US Treasury and its agencies.

Governmental securities and certificates of deposit are carried at amortized cost, as they are classified as held to maturity debt securities since the Association has the positive intent and ability to hold all securities until maturity.

The amortized cost/ net carrying value of debt securities held-to-maturity a December 31, 2025 and 2024 are as follows:

	2025 Amortized Cost/Net Carrying Value	2024 Amortized Cost/Net Carrying Value
Held to maturity:		
Certificates of Deposit	$ 230,334	$ 220,972
US Treasury Securities	300,000	95,763
Total held to maturity	$ 530,334	$ 316,735

The maturities of the debt securities held-to-maturity at December 31, 2025 and 2024 are as follows:

	2025	2024
Due in one year or less	$ 530,334	$ 316,735

5. Future Major Repairs and Replacements (Replacement Fund)

The Association's governing documents require funds to be accumulated for future major repairs to and replacement of Association-owned property. Such repair and replacement cash and investments, amounting to $1,306,259 and $924,224 at December 31, 2025 and 2024, respectively were held in designated bank and investment accounts.

The funding program is based on a study updated in 2025 by independent consultants to estimate the remaining useful life and the replacement cost of the Association-owned property. The estimates were based on estimates from consultants, management, contractors, and historical costs.

The Association is funding such major repairs and replacements over the estimated useful life of the Association-owned property based on the study's estimates of current replacement cost, considering amounts previously accumulated in the replacement fund. Actual expenditures, however, may vary from the estimated amounts and the variations may be material. Therefore, amounts accumulated in the replacement fund may not be adequate to meet future needs. Should additional funds be needed, the Association has the right, subject to member approval, to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

6. Property and Equipment

Association property and equipment at December 31, 2025 and 2024 consisted of the following:

	2025	2024
Land	$ 213,675	$ 213,675
Building and Improvements	796,456	784,966
Equipment	749,940	745,723
	1,760,071	1,744,364
Less accumulated depreciation	(878,355)	(848,818)
	$ 881,716	$ 895,546

7. Replacement Fund Expenses

Replacement fund expenses for the year ended December 31, 2025 and 2024 were as follows:

	2025	2024
Irrigation	$ 1,172	$ 6,404
Gate repairs	2,639	105,255
Repair and maintenance	1,118	367
Park improvements	1,153	11,423
Equipment and road maintenance	11,723	124,174
Signs and trails	22,439	153,018
Reserve update	10,400	2,700
Bridge/waterway crossings	-0-	189,942
Retaining/rockery walls	-0-	6,400
Concrete and sidewalk repairs	-0-	8,517
Miscellaneous	800	40,636
	$ 51,444	$ 648,836

8. Interfund Activity

The Association maintains an operating fund and a replacement fund. The replacement allocations are collected by the operating fund and transferred to the replacement fund. At December 31, 2025 and 2024, no amounts were owed between funds.

9. Employee Benefit Plan

The Association provides a Savings Incentive Match Plan for Employees (SIMPLE) IRA Retirement Plan for all full-time employees who have at least one year of continuous service. The Plan allows the employees to voluntarily defer otherwise taxable income and accumulate funds for future retirement. The Association makes a matching contribution up to a maximum deferral of 3% of the employee's gross earnings. The Association's contributions to the plan were $24,122 and $19,129 for the years ended December 31, 2025 and 2024, respectively.

10. Note Payable

In May 2018, the Association purchased 1070 Caughlin Crossing for use as an office building, and entered into a $286,632 note payable at 5.44% interest collateralized by current and future assessments. During 2020, the Association modified the loan to a reduced 4.00% interest rate. The note is payable in monthly installments of $3,108 at 4.00% interest through December 10, 2027.

Future principal payments are as follows:

December 31,	
2026	35,134
2027	34,234
	$ 69,368

The Association's note payable to First Citizens Bank requires them to maintain certain financial ratios. In addition, the agreement contains affirmative and negative covenants regulating, among other things, additional indebtedness and liens, continuing operations, compliance with laws and regulations and other matters customarily restricted by such agreements. The agreement also contains customary events of default, including breach of terms and/or conditions, failure to pay on a timely basis, raise above 10% of units in delinquency, covenant defaults and events of insolvency.

11. Contingent Matters

From time to time, certain claims arising in the ordinary course of business have been filed or threatened against the Association. In the opinion of management, all such matters were without merit or are of such kind, or involve such amounts, which would not have a significant effect on the financial position or results of operations of the Association if disposed of unfavorably. Therefore, currently no provision for loss has been included in the accompanying financial statements.

12. Subsequent Events

Subsequent events have been evaluated by management through March 13, 2026, the date that the statements were available for issuance.

CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION

Schedule 1

SCHEDULE OF REVENUE AND EXPENSES - ACTUAL AND BUDGETED

For the Year Ended December 31, 2025

	Actual	(Unaudited) Budgeted	Variance
Revenue			
Member assessments	$ 3,470,548	$ 3,470,242	$ 306
Transfer fee income	17,800	20,000	(2,200)
Landscape contract services	76,877	75,000	1,877
Fines and penalties	34,200	3,000	31,200
Other income	74,437	38,600	35,837
Insurance proceeds	5,596	-0-	5,596
Late fees	36,314	21,700	14,614
Interest income	26,966	8,975	17,991
Total Revenue	3,742,738	3,637,517	105,221
Expenses			
General and administrative	434,699	493,826	(59,127)
Payroll and benefits	1,776,669	1,919,852	(143,183)
Interest expense	3,559	3,553	6
Irrigation	263,562	205,000	58,562
Repairs and maintenance	395,214	385,300	9,914
Insurance	128,887	127,541	1,346
Utilities	63,587	70,160	(6,573)
Loss on disposal of assets	8,497	-0-	8,497
Replacement	51,443	695,540	(644,097)
Total Expenses	3,126,117	3,900,772	(774,655)
Revenue Over (Under) Expenses, Before Depreciation	616,621	(263,255)	879,876
Depreciation	57,292	-0-	57,292
Revenue Over (Under) Expenses	$ 559,329	$ (263,255)	$ 822,584

CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION
REQUIRED SUPPLEMENTARY INFORMATION ON FUTURE MAJOR REPAIRS AND REPLACEMENTS

Schedule 2

December 31, 2025
(Unaudited)

(See Independent Auditors' Report)

The Association's independent consultants updated a study in 2025 to estimate the remaining useful lives and the replacement costs of the major components of common property. The estimates were based on estimates from consultants, management, contractors, and historical costs. Estimated current replacement costs have been adjusted to reflect a 2.50% inflation factor between the date of the study and the date that the components will require repair and replacement. Investment earnings are estimated to be 2.50% before tax.

The Association does not designate the balance in the replacement fund by component. The total available for major repairs and replacements at December 31, 2025 was $1,312,722. The 2026 budget includes a total of $587,967 in member assessments designated for future repairs and replacements.

The following table is based on the study and presents significant information about the components of common property that are being funded.

Facility or Component	Range of Remaining Lives (Years)	Range of Lives After Replacement (Years)	Current Replacement Cost
Caughlin Ranch			
Paving	0-21	1-30	$ 1,885,688
Concrete	3	6-8	5,373
Painting: exterior	3-5	5-7	23,826
Painting: interior	1	10	15,443
Structural repairs	1-20	10-50	418,126
Roofing	3-23	25-30	42,515
Rehab	4-18	10-20	32,167
Recreation	3	10	1,320
Tennis court	3-10	7-21	77,328
Landscaping	0-12	1-20	22,030
Lakes/ponds	0-5	1-5	31,547
Fencing	2-15	10-30	27,745
Retaining Wall	0-18	2-25	440,825
Lighting	2-18	20	41,050
Signage	0-21	1-25	154,732
Office equipment	0-4	3-9	69,717
Mechanical equipment	1-13	15	82,202
Furnishings	0-11	1-15	95,062
Audio/visual	9	10	3,230
Safety/access	0-3	1-6	30,191
Flooring	7-11	10-20	31,540
Wallcoverings	2	20	7,254
Outdoor equipment	0-15	5-30	479,408
Appliances	6-8	10-15	6,700
Miscellaneous	0-20	1-20	813,329
Reserve study	0-4	5	11,600
Undesignated	1	1	1,400
			$ 4,851,348

CAUGHLIN RANCH HOMEOWNERS' ASSOCIATION
REQUIRED SUPPLEMENTARY INFORMATION
ON FUTURE MAJOR REPAIRS AND REPLACEMENTS
December 31, 2025
(Unaudited)

Schedule 2

(See Independent Auditors' Report)

Facility or Component	Range of Remaining Lives (Years)	Range of Lives After Replacement (Years)	Current Replacement Cost
Caughlin Creek/Deer Creek			
Paving	0-18	1-27	$ 1,142,117
Concrete	3-28	5-30	192,626
Structural repairs	14	20	2,600
Gate equipment	0-7	8-12	85,227
Lakes/Ponds	-0-	1	7,210
Lighting	2-16	20-40	48,085
Signage	13-19	15-20	12,484
Safety/Access	1	6	9,018
Reserve Study	0-4	5	3,600
			1,502,967
Mountainshyre			
Paving	0-19	3-22	496,299
Concrete	0-1	6-8	3,661
Painting: exterior	1	8	500
Roofing	22	30	1,873
Gate equipment	2-9	8-12	61,109
Lighting	1	12	732
Signage	3-12	20-30	23,724
Safety/Access	2	6	4,265
Reserve Study	0-4	5	3,400
			595,563
Whispering Canyon			
Paving	1-18	1-25	432,806
Concrete	5	8	3,139
Painting: Exterior	3	5-6	5,971
Structural Repairs	18	25	12,591
Gate Equipment	3-22	6-30	76,336
Landscaping	1-17	3-25	42,437
Fencing	4-24	10-30	20,075
Retaining Wall	1	2	2,300
Lighting	7	15	5,220
Signage	7	15	14,470
Miscellaneous	19	25	9,720
Reserve Study	-0-	5	1,400
			626,465
			$ 2,724,995