M24 RANCH ASSOCIATION

RESERVE STUDY

JULY 2024

Prepared by
Sheryl Hanson, Treasurer
For the Board of Directors

7825 Sheep Ranch Rd.
Mountain Ranch, Ca. 95246

Assumptions for the preparation of the Reserve Study

1. The annual inflation rate calculated is 3.00%. The amount needed to fund all components was calculated using the original cost and then adding 3% inflation each year until needing to be replaced.
2. Interest income through Dec of 2027 is 4.3%. After that, the interest used is 3%. (We have CDs locked in at 4.3% until December of 2027. After that, we expect rates to be lower.)
3. **I have prepared 2 Annual Year Summaries. The first one will NOT give us enough funds to replace the paved Lakeside Road at the end of its life expectancy of 30 years. The 2nd Annual Year Summary requires more reserve deposit each year and will give us enough to replace both roads at life expectancy and start rebuilding our reserves.**
4. Normal life expectancy for paved roads is 30 years. I have extended our life expectancy because we do not get the same traffic that a regular road that gets full public use gets. The actual life expectancy can be extended with maintenance of the roads during the life of the road with sealing coats and crack repairs.
5. This reserve study was prepared in-house based on previous Reserve Studies that were prepared by an outside Reserve Studies company. We plan to order an outside company to prepare the Reserve Study once every 3 years.

Component	Quantity	Useful Life	Rem. Useful Life	Current Cost Estimate	Cost to replace with 3% annual inflation	2nd replacement	3rd replacement
Association Entrances							
South Gate (Sheep Ranch)							
Liftmaster CAPXL phone System	1	10	9	$ 5,275	$ 7,089	$ 9,527	$ 12,804
Gate Security Camera	1	10	9	$ 500	$ 672	$ 903	$ 1,214
Entry Gate	1	30	12	$ 8,195	$ 19,891		
North Gate (Railroad Flat)							
Liftmaster CAPXL phone System	1	10	10	$ 5,275	$ 7,089	$ 9,527	$ 12,804
Gate Security Camera	1	10	9	$ 500	$ 672	$ 903	$ 1,214
Entry Gate	1	30	12	$ 6,820	$ 16,554		
Paved Roads							
Eagleview Asphalt - Chip Seal	Approx 40,000 GSF	30	23	$ 119,000	$288,844		
Lakeside Asphalt	Approx 68,000 GSF	37	30	$ 324,500	$968,706		
Clubhouse / Barn							
Comp Shingle Roof	Approx 2,000 GSF	25	21	$ 22,000	$ 46,063		
Lake / Dam Area							
Emergency Relief Valve - Replace	1	40	14	$ 20,900	$ 67,515		
Picnic Tables	12	20	16	$ 6,820	$ 12,318	$ 22,247	
Bridge - Repair/Replace	1	20	12	$ 2,970	$ 5,364	$ 9,688	
Docs - Repair/Replace	6	20	15	$ 53,900	$ 97,349	$ 175,824	
Total Funded Components	13						

Year	Starting Reserve Balance	Interest Income	Reserve Contribution	Items to replace	Ending balance
23/24	$ 159,170	$ 6,844	$ -	$ -	$ 166,014
1 24/25	$ 166,014	$ 7,139	$ 5,000	$ -	$ 178,153
2 25/26	$ 178,153	$ 7,661	$ 6,000	$ -	$ 191,813
3 26/27	$ 191,813	$ 8,248	$ 7,000	$ -	$ 207,061
4 27/28	$ 207,061	$ 6,212	$ 8,000	$ -	$ 221,273
5 28/29	$ 221,273	$ 6,638	$ 9,000	$ -	$ 236,911
6 29/30	$ 236,911	$ 7,107	$ 10,000	$ -	$ 254,019
7 30/31	$ 254,019	$ 7,621	$ 11,000	$ -	$ 272,639
8 31/32	$ 272,639	$ 8,179	$ 12,000	$ -	$ 292,818
9 32/33	$ 292,818	$ 8,785	$ 13,000	$ -	$ 314,603
10 33/34	$ 314,603	$ 9,438	$ 14,000	$ 8,433	$ 329,608
11 34/35	$ 329,608	$ 9,888	$ 15,000	$ 7,089	$ 347,407
12 35/36	$ 347,407	$ 10,422	$ 16,000	$ -	$ 373,829
13 36/37	$ 373,829	$ 11,215	$ 17,000	$ 41,809	$ 360,235
14 37/38	$ 360,235	$ 10,807	$ 18,000	$ -	$ 389,042
15 38/39	$ 389,042	$ 11,671	$ 19,000	$ 67,515	$ 352,199
16 39/40	$ 352,199	$ 10,566	$ 20,000	$ 97,349	$ 285,416
17 40/41	$ 285,416	$ 8,562	$ 21,000	$ 12,318	$ 302,660
18 41/42	$ 302,660	$ 9,080	$ 22,000	$ -	$ 333,740
19 42/43	$ 333,740	$ 10,012	$ 23,000	$ -	$ 366,752
20 43/44	$ 366,752	$ 11,003	$ 24,000	$ 11,333	$ 390,422
21 44/45	$ 390,422	$ 11,713	$ 25,000	$ 9,527	$ 417,607
22 45/46	$ 417,607	$ 12,528	$ 26,000	$ 46,063	$ 410,073
23 46/47	$ 410,073	$ 12,302	$ 27,000	$ -	$ 449,375
24 47/48	$ 449,375	$ 13,481	$ 28,000	$ 288,844	$ 202,012
25 48/49	$ 202,012	$ 6,060	$ 29,000	$ -	$ 237,072
26 49/50	$ 237,072	$ 7,112	$ 30,000	$ -	$ 274,185
27 50/51	$ 274,185	$ 8,226	$ 31,000	$ -	$ 313,410
28 51/52	$ 313,410	$ 9,402	$ 32,000	$ -	$ 354,812
29 52/53	$ 354,812	$ 10,644	$ 33,000	$ -	$ 398,457
30 53/54	$ 398,457	$ 11,954	$ 34,000	$ 15,232	$ 429,178
31 54/55	$ 429,178	$ 12,875	$ 35,000	$ 981,510	$ (504,456)

NOTE: The contribution to reserves is increasing each year by $1,000 or $10 per year per payable lot.

Fiscal Year Ending	2025	2026	2027	2028	2029
Starting Reserve Balance	$ 166,014	$ 178,153	$ 191,813	$ 207,061	$ 221,273
Annual Reserve Funding	$ 5,000	$ 6,000	$ 7,000	$ 8,000	$ 9,000
Interest Earnings	$ 7,139	$ 7,661	$ 8,248	$ 6,212	$ 6,638
TOTAL RESERVE BALANCE	**$ 178,153**	**$ 191,813**	**$ 207,061**	**$ 221,273**	**$ 236,911**
South Gate (Sheep Ranch)					
Liftmaster CAPXL phone System	$ -	$ -	$ -	$ -	$ -
Gate Security Camera	$ -	$ -	$ -	$ -	$ -
Entry Gate	$ -	$ -	$ -	$ -	$ -
North Gate (Railroad Flat)					
Liftmaster CAPXL phone System	$ -	$ -	$ -	$ -	$ -
Gate Security Camera	$ -	$ -	$ -	$ -	$ -
Entry Gate	$ -	$ -	$ -	$ -	$ -
Paved Roads					
Eagleview Asphalt - Chip Seal	$ -	$ -	$ -	$ -	$ -
Lakeside Asphalt	$ -	$ -	$ -	$ -	$ -
Clubhouse / Barn					
Comp Shingle Roof	$ -	$ -	$ -	$ -	$ -
Lake / Dam Area					
Emergency Relief Valve - Replace	$ -	$ -	$ -	$ -	$ -
Picnic Tables	$ -	$ -	$ -	$ -	$ -
Bridge - Repair/Replace	$ -	$ -	$ -	$ -	$ -
Docs - Repair/Replace	$ -	$ -	$ -	$ -	$ -
Total Expenses	$ -	$ -	$ -	$ -	$ -
Ending Reserve Balance	**$ 178,153**	**$ 191,813**	**$ 207,061**	**$ 221,273**	**$ 236,911**

Fiscal Year Ending	**2030**	**2031**	**2032**	**2033**	**2034**
Starting Reserve Balance	$ 236,911	$ 254,018	$ 272,639	$ 292,818	$ 314,603
Annual Reserve Funding	$ 10,000	$ 11,000	$ 12,000	$ 13,000	$ 14,000
Interest Earnings	$ 7,107	$ 7,621	$ 8,179	$ 8,785	$ 9,438
TOTAL RESERVE BALANCE	**$ 254,018**	**$ 272,639**	**$ 292,818**	**$ 314,603**	**$ 329,608**
South Gate (Sheep Ranch)					
Liftmaster CAPXL phone System	$ -	$ -	$ -	$ -	$ 7,089
Gate Security Camera	$ -	$ -	$ -	$ -	$ 672
Entry Gate	$ -	$ -	$ -	$ -	$ -
North Gate (Railroad Flat)					
Liftmaster CAPXL phone System	$ -	$ -	$ -	$ -	$ -
Gate Security Camera	$ -	$ -	$ -	$ -	$ 672
Entry Gate	$ -	$ -	$ -	$ -	$ -
Paved Roads					
Eagleview Asphalt - Chip Seal	$ -	$ -	$ -	$ -	$ -
Lakeside Asphalt	$ -	$ -	$ -	$ -	$ -
Clubhouse / Barn					
Comp Shingle Roof	$ -	$ -	$ -	$ -	$ -
Lake / Dam Area					
Emergency Relief Valve - Replace	$ -	$ -	$ -	$ -	$ -
Picnic Tables	$ -	$ -	$ -	$ -	$ -
Bridge - Repair/Replace	$ -	$ -	$ -	$ -	$ -
Docs - Repair/Replace	$ -	$ -	$ -	$ -	$ -
Total Expenses	$ -	$ -	$ -	$ -	$ 8,433
Ending Reserve Balance	**$ 254,018**	**$ 272,639**	**$ 292,818**	**$ 314,603**	**$ 329,608**

Fiscal Year Ending	**2035**	**2036**	**2037**	**2038**	**2039**
Starting Reserve Balance	$ 329,608	$ 347,407	$ 373,829	$ 360,235	$ 389,042
Annual Reserve Funding	$ 15,000	$ 16,000	$ 17,000	$ 18,000	$ 19,000
Interest Earnings	$ 9,888	$ 10,422	$ 11,215	$ 10,807	$ 11,671
TOTAL RESERVE BALANCE	**$ 347,407**	**$ 373,829**	**$ 360,235**	**$ 389,042**	**$ 352,198**

South Gate (Sheep Ranch)					
Liftmaster CAPXL phone System	$ -	$ -	$ -	$ -	$ -
Gate Security Camera	$ -	$ -	$ -	$ -	$ -
Entry Gate	$ -	$ -	$ 19,891	$ -	$ -
North Gate (Railroad Flat)					
Liftmaster CAPXL phone System	$ 7,089	$ -	$ -	$ -	$ -
Gate Security Camera	$ -	$ -	$ -	$ -	$ -
Entry Gate	$ -	$ -	$ 16,554	$ -	$ -
Paved Roads					
Eagleview Asphalt - Chip Seal	$ -	$ -	$ -	$ -	$ -
Lakeside Asphalt	$ -	$ -	$ -	$ -	$ -
Clubhouse / Barn					
Comp Shingle Roof	$ -	$ -	$ -	$ -	$ -
Lake / Dam Area					
Emergency Relief Valve - Replace	$ -	$ -	$ -	$ -	$ 67,515
Picnic Tables	$ -	$ -	$ -	$ -	$ -
Bridge - Repair/Replace	$ -	$ -	$ 5,364	$ -	$ -
Docs - Repair/Replace	$ -	$ -	$ -	$ -	$ -
Total Expenses	$ 7,089	$ -	$ 41,809	$ -	$ 67,515
Ending Reserve Balance	**$ 347,407**	**$ 373,829**	**$ 360,235**	**$ 389,042**	**$ 352,198**

Fiscal Year Ending	2040	2041	2042	2043	2044
Starting Reserve Balance	$ 352,198	$ 285,415	$ 302,660	$ 333,740	$ 366,752
Annual Reserve Funding	$ 20,000	$ 21,000	$ 22,000	$ 23,000	$ 24,000
Interest Earnings	$ 10,566	$ 8,562	$ 9,080	$ 10,012	$ 11,003
TOTAL RESERVE BALANCE	**$ 285,415**	**$ 302,660**	**$ 333,740**	**$ 366,752**	**$ 390,421**

South Gate (Sheep Ranch)					
Liftmaster CAPXL phone System	$ -	$ -	$ -	$ -	$ 9,527
Gate Security Camera	$ -	$ -	$ -	$ -	$ 903
Entry Gate	$ -	$ -	$ -	$ -	$ -
North Gate (Railroad Flat)					
Liftmaster CAPXL phone System	$ -	$ -	$ -	$ -	$ -
Gate Security Camera	$ -	$ -	$ -	$ -	$ 903
Entry Gate	$ -	$ -	$ -	$ -	$ -
Paved Roads					
Eagleview Asphalt - Chip Seal	$ -	$ -	$ -	$ -	$ -
Lakeside Asphalt	$ -	$ -	$ -	$ -	$ -
Clubhouse / Barn					
Comp Shingle Roof	$ -	$ -	$ -	$ -	$ -
Lake / Dam Area					
Emergency Relief Valve - Replace	$ -	$ -	$ -	$ -	$ -
Picnic Tables	$ -	$ 12,318	$ -	$ -	$ -
Bridge - Repair/Replace	$ -	$ -	$ -	$ -	$ -
Docs - Repair/Replace	$ 97,349	$ -	$ -	$ -	$ -
Total Expenses	$ 97,349	$ 12,318	$ -	$ -	$ 11,333
Ending Reserve Balance	**$ 285,415**	**$ 302,660**	**$ 333,740**	**$ 366,752**	**$ 390,421**

Fiscal Year Ending	**2045**	**2046**	**2047**	**2048**	**2049**
Starting Reserve Balance	$ 390,421	$ 417,607	$ 410,072	$ 449,374	$ 202,012
Annual Reserve Funding	$ 25,000	$ 26,000	$ 27,000	$ 28,000	$ 29,000
Interest Earnings	$ 11,713	$ 12,528	$ 12,302	$ 13,481	$ 6,060
TOTAL RESERVE BALANCE	**$ 417,607**	**$ 410,072**	**$ 449,374**	**$ 202,012**	**$ 237,072**

South Gate (Sheep Ranch)					
Liftmaster CAPXL phone System	$ -	$ -	$ -	$ -	$ -
Gate Security Camera	$ -	$ -	$ -	$ -	$ -
Entry Gate	$ -	$ -	$ -	$ -	$ -
North Gate (Railroad Flat)					
Liftmaster CAPXL phone System	$ 9,527	$ -	$ -	$ -	$ -
Gate Security Camera	$ -	$ -	$ -	$ -	$ -
Entry Gate	$ -	$ -	$ -	$ -	$ -
Paved Roads					
Eagleview Asphalt - Chip Seal	$ -	$ -	$ -	$ 288,844	$ -
Lakeside Asphalt	$ -	$ -	$ -	$ -	$ -
Clubhouse / Barn					
Comp Shingle Roof	$ -	$ 46,063	$ -	$ -	$ -
Lake / Dam Area					
Emergency Relief Valve - Replace	$ -	$ -	$ -	$ -	$ -
Picnic Tables	$ -	$ -	$ -	$ -	$ -
Bridge - Repair/Replace	$ -	$ -	$ -	$ -	$ -
Docs - Repair/Replace	$ -	$ -	$ -	$ -	$ -
Total Expenses	$ 9,527	$ 46,063	$ -	$ 288,844	$ -
Ending Reserve Balance	**$ 417,607**	**$ 410,072**	**$ 449,374**	**$ 202,012**	**$ 237,072**

Fiscal Year Ending	2050	2051	2052	2053	2054
Starting Reserve Balance	$ 237,072	$ 274,184	$ 313,410	$ 354,812	$ 398,456
Annual Reserve Funding	$ 30,000	$ 31,000	$ 32,000	$ 33,000	$ 34,000
Interest Earnings	$ 7,112	$ 8,226	$ 9,402	$ 10,644	$ 11,954
TOTAL RESERVE BALANCE	**$ 274,184**	**$ 313,410**	**$ 354,812**	**$ 398,456**	**$ 429,178**
South Gate (Sheep Ranch)					
Liftmaster CAPXL phone System	$ -	$ -	$ -	$ -	$ 12,804
Gate Security Camera	$ -	$ -	$ -	$ -	$ 1,214
Entry Gate	$ -	$ -	$ -	$ -	$ -
North Gate (Railroad Flat)					
Liftmaster CAPXL phone System	$ -	$ -	$ -	$ -	$ -
Gate Security Camera	$ -	$ -	$ -	$ -	$ 1,214
Entry Gate	$ -	$ -	$ -	$ -	$ -
Paved Roads					
Eagleview Asphalt - Chip Seal	$ -	$ -	$ -	$ -	$ -
Lakeside Asphalt	$ -	$ -	$ -	$ -	$ -
Clubhouse / Barn					
Comp Shingle Roof	$ -	$ -	$ -	$ -	$ -
Lake / Dam Area					
Emergency Relief Valve - Replace	$ -	$ -	$ -	$ -	$ -
Picnic Tables	$ -	$ -	$ -	$ -	$ -
Bridge - Repair/Replace	$ -	$ -	$ -	$ -	$ -
Docs - Repair/Replace	$ -	$ -	$ -	$ -	$ -
Total Expenses	$ -	$ -	$ -	$ -	$ 15,232
Ending Reserve Balance	**$ 241,483**	**$ 313,410**	**$ 354,812**	**$ 398,456**	**$ 429,178**

Year	Starting Reserve Balance	Interest Income	Reserve Contribution	Items to replace	Ending balance
23/24	$ 159,170	$ 6,844	$ -	$ -	$ 166,014
1 24/25	$ 166,014	$ 7,139	$ 5,000	$ -	$ 178,153
2 25/26	$ 178,153	$ 7,661	$ 7,000	$ -	$ 192,813
3 26/27	$ 192,813	$ 8,291	$ 9,000	$ -	$ 210,104
4 27/28	$ 210,104	$ 6,303	$ 11,000	$ -	$ 227,407
5 28/29	$ 227,407	$ 6,822	$ 13,000	$ -	$ 247,230
6 29/30	$ 247,230	$ 7,417	$ 15,000	$ -	$ 269,647
7 30/31	$ 269,647	$ 8,089	$ 17,000	$ -	$ 294,736
8 31/32	$ 294,736	$ 8,842	$ 19,000	$ -	$ 322,578
9 32/33	$ 322,578	$ 9,677	$ 21,000	$ -	$ 353,255
10 33/34	$ 353,255	$ 10,598	$ 23,000	$ 8,433	$ 378,420
11 34/35	$ 378,420	$ 11,353	$ 25,000	$ 7,089	$ 407,684
12 35/36	$ 407,684	$ 12,231	$ 27,000	$ -	$ 446,914
13 36/37	$ 446,914	$ 13,407	$ 29,000	$ 41,809	$ 447,513
14 37/38	$ 447,513	$ 13,425	$ 31,000	$ -	$ 491,938
15 38/39	$ 491,938	$ 14,758	$ 33,000	$ 67,515	$ 472,181
16 39/40	$ 472,181	$ 14,165	$ 35,000	$ 97,349	$ 423,997
17 40/41	$ 423,997	$ 12,720	$ 37,000	$ 12,318	$ 461,399
18 41/42	$ 461,399	$ 13,842	$ 39,000	$ -	$ 514,241
19 42/43	$ 514,241	$ 15,427	$ 41,000	$ -	$ 570,669
20 43/44	$ 570,669	$ 17,120	$ 43,000	$ 11,333	$ 619,456
21 44/45	$ 619,456	$ 18,584	$ 45,000	$ 9,527	$ 673,512
22 45/46	$ 673,512	$ 20,205	$ 47,000	$ 46,063	$ 694,655
23 46/47	$ 694,655	$ 20,840	$ 49,000	$ -	$ 764,494
24 47/48	$ 764,494	$ 22,935	$ 51,000	$ 288,844	$ 549,585
25 48/49	$ 549,585	$ 16,488	$ 53,000	$ -	$ 619,073
26 49/50	$ 619,073	$ 18,572	$ 55,000	$ -	$ 692,645
27 50/51	$ 692,645	$ 20,779	$ 57,000	$ -	$ 770,424
28 51/52	$ 770,424	$ 23,113	$ 59,000	$ -	$ 852,537
29 52/53	$ 852,537	$ 25,576	$ 61,000	$ -	$ 939,113
30 53/54	$ 939,113	$ 28,173	$ 63,000	$ 15,232	$ 1,015,054
31 54/55	$ 1,015,054	$ 30,452	$ 65,000	$ 981,510	$ 128,996

NOTE:

The contribution to reserves is increasing each year by $2,000 or $20 per year per payable lot.