

# *Incline Pines Homeowners Association*

C/o Incline Property Management,  
848 Tanager Street, Suite M,  
Incline Village, NV 89451  
Phone 775-832-0284 \* Fax 775-832-4036

May 17, 2023

Dear Incline Pines Homeowner,

This letter comes to you on behalf of the Board of Directors of our Incline Pines Homeowners Association. Included with this letter, for your records, is the proposed 2023/2024 Budget. The Board of Directors reviewed and approved the Budget at the last Board Meeting.

In accordance with Chapter 116 of the Nevada Revised Statutes (NRS 116), Owner ratification of the Annual Budget is required after Board approval.

This letter serves as notice that the Budget Ratification Meeting will be held via video conference on June 8, at 5 PM, see below.

Janet Krautstrunk is inviting you to a scheduled Zoom meeting.

**Topic:** Incline Pines HOA

**Time:** 5 PM

**Join Zoom Meeting**

<https://ipm-tahoe.zoom.us/j/7382760846>

**Meeting ID:** 738 276 0846

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**Meeting ID:** 738 276 0846

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**abEztTHbcP**

At this meeting, unless at least a majority of all units' Owners reject the budget, the budget is ratified, whether a quorum is present. (NRS 116.310 3).

As you can see from the Proposed Annual Budget provided by our management company, IPM, the Board is proposing effective July 1, 2023:

Monthly assessment amount \$750.

Each line item of the budget was carefully considered, as well as the monthly assessment amounts for neighboring complexes. The Board believes that this budget is appropriate with respect to Incline Pines HOA requirements as well as the Common Interest Community standards in Incline Village.

The objective of this budget is to maintain the integrity of the Association as well as to protect each Owner's investment.

As always, if you have any questions or if I may be of assistance, please call me at (775) 298-7956.

Respectfully yours,  
Incline Property Management, as Agent for  
Incline Pines Homeowners Association

Janet Krautstrunk  
Supervising Community Association Manager

# Incline Pines Homeowners Association

## 2023 Board Approved Annual Budget

2023

### Income

<b>Income</b>	
4000 - Assessments	360,000.00
4001 - Dues Allocated to Reserves	(116,600.00)
<b>Total Income</b>	<b>243,400.00</b>

<b>Income</b>	
7001 - Dues Allocated to Reserves	116,600.00
7005 - Interest Income - Reserve	108.00
7300 - Reserve Assessment	-
<b>Total Income</b>	<b>116,708.00</b>
<b>Total Income</b>	<b>360,108.00</b>

### Expense

<b>Maintenance</b>	
6000 - Grounds Maintenance	10,668.00
6002 - Disposal Fees	600.00
6025 - Snow Removal - Contract	25,700.00
6026 - Snow Removal - Non-Contract	33,140.00
6038 - Building Maintenance	7,500.00
6045 - Pest Control	1,275.00
6145 - Defensible Space	9,200.00
<b>Total Maintenance</b>	<b>88,083.00</b>

<b>Office &amp; Administration</b>	
6070 - Management Contract	18,000.00
6072 - Office Supplies	165.00
6076 - Legal Fees	2,000.00
6080 - HOA Insurance	57,716.00
6081 - Accounting Services	2,000.00
6084 - Workmans Comp Insurance	500.00
6092 - Licenses & Permits	220.00
6093 - Meeting Expenses	200.00
<b>Total Office &amp; Administration</b>	<b>80,801.00</b>

<b>Utilities</b>	
6052 - Water/Sewer	57,000.00
6054 - Trash Removal	10,007.00
<b>Total Utilities</b>	<b>67,007.00</b>

<b>Reserve Expenses</b>	
8001 - Reserve Study	1,000.00
8003 - Asphalt	18,550.00
8004 - Walkway	1,541.00
8007 - Painting	38,016.00
8010 - Roof	123,750.00
8035 - Railing	-
8056 - Drainage	1,500.00
8087 - Sewer Line	4,000.00
8109 - Tree Removal	24,000.00
<b>Total Reserve Expenses</b>	<b>212,357.00</b>

<b>Total Expense</b>	<b>448,248.00</b>
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**RESERVE STUDY**

Member Distribution Materials

**Incline Pines HOA**

*Full Study*

Final

Published - March 09, 2023

Prepared for the 2022/2023 Fiscal Year

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<i>Section III: 30 Year Reserve Funding Plan</i>	<i>Cash Flow Method {c}</i>	3

**Professionally managed by**  
Incline Property Management  
(775) 832-0284

**Browning Reserve Group, LLC**  
www.BrowningRG.com

March 09, 2023

This is a summary of the Reserve Study that has been performed for Incline Pines HOA, (the "Association"). 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 Full Study for the July 1, 2022 - June 30, 2023 fiscal year.

Incline Pines HOA is a Condominium with a total of 40 Units.

At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was 1.50% 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 are **inadequately funded** as the reserve fund ending balances may fail to remain positive throughout the replacement of all major components during the next 30 years. **Additional reserve funding including some combination of increased contributions, special assessments and loans may be necessary to meet all reserve obligations.**

Nevada statute imposes no reserve funding level requirements nor does it address funding level adequacy.

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*)

Large reserve contribution increases are needed until 2030/2031. All percentages and balances are dependent upon these additional funds being collected as indicated.

Incline Pines HOA  
Nevada Member Summary

Final  
Prepared for the 2022/2023 Fiscal Year

<i>Reserve Component</i>	<i>Current Replacement Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>	<i>2021/2022 Fully Funded Balance</i>	<i>2022/2023 Fully Funded Balance</i>	<i>2022/2023 Line Item Contribution based on Cash Flow Method</i>
<b>01000 - Paving</b>	<b>292,289</b>	<b>3-25</b>	<b>2-9</b>	<b>178,664</b>	<b>201,856</b>	<b>10,508</b>
<b>02000 - Concrete</b>	<b>1,541</b>	<b>5-5</b>	<b>2-2</b>	<b>924</b>	<b>1,263</b>	<b>159</b>
<b>03000 - Painting: Exterior</b>	<b>180,738</b>	<b>5-6</b>	<b>0-4</b>	<b>132,839</b>	<b>102,495</b>	<b>15,606</b>
<b>04000 - Structural Repairs</b>	<b>47,246</b>	<b>5-25</b>	<b>3-5</b>	<b>20,297</b>	<b>28,850</b>	<b>4,201</b>
<b>05000 - Roofing</b>	<b>959,000</b>	<b>3-40</b>	<b>1-17</b>	<b>659,821</b>	<b>718,529</b>	<b>24,568</b>
<b>18000 - Landscaping</b>	<b>25,500</b>	<b>1-5</b>	<b>1-2</b>	<b>15,150</b>	<b>21,218</b>	<b>2,858</b>
<b>19500 - Retaining Wall</b>	<b>13,410</b>	<b>5-5</b>	<b>4-4</b>	<b>2,682</b>	<b>5,498</b>	<b>1,456</b>
<b>20000 - Lighting</b>	<b>24,650</b>	<b>12-20</b>	<b>6-10</b>	<b>12,325</b>	<b>13,924</b>	<b>789</b>
<b>21000 - Signage</b>	<b>13,200</b>	<b>5-15</b>	<b>3-8</b>	<b>5,733</b>	<b>7,380</b>	<b>819</b>
<b>26000 - Outdoor Equipment</b>	<b>35,000</b>	<b>10-10</b>	<b>5-5</b>	<b>17,500</b>	<b>21,525</b>	<b>1,947</b>
<b>29000 - Infrastructure</b>	<b>4,000</b>	<b>5-5</b>	<b>2-2</b>	<b>2,400</b>	<b>3,280</b>	<b>413</b>
<b>30000 - Miscellaneous</b>	<b>5,650</b>	<b>10-10</b>	<b>4-4</b>	<b>3,390</b>	<b>4,054</b>	<b>307</b>
<b>31000 - Reserve Study</b>	<b>2,600</b>	<b>5-5</b>	<b>0-0</b>	<b>2,600</b>	<b>533</b>	<b>256</b>
<b>32000 - Undesignated</b>	<b>1,000</b>	<b>1-1</b>	<b>1-1</b>	<b>500</b>	<b>1,025</b>	<b>252</b>
Totals	<b>\$1,605,824</b>			<b>\$1,054,826</b>	<b>\$1,131,429</b>	<b>\$64,139</b>
Estimated Ending Balance				<b>\$278,662</b>	<b>\$264,981</b>	<b>\$133.62</b>
Percent Funded				<b>26.4%</b>	<b>23.4%</b>	/Unit/month @ 40

	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
<b>Beginning Balance</b>	238,663	278,662	264,981	154,490	67,815	74,709	51,640	145,189	269,720	337,711
<b>Inflated Expenditures @ 2.5%</b>	65,960	81,867	233,614	219,130	136,740	179,412	77,305	63,191	137,782	416,286
<b>Reserve Contribution</b>	102,108	64,139 <sup>1</sup>	120,000	130,800	142,572	155,403	169,389	184,634	201,251	219,364
<i>Units/month @ 40</i>	212.73	133.62	250.00	272.50	297.02	323.76	352.89	384.65	419.27	457.01
<i>Percentage Increase</i>		-37.2%	87.1%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%	9.0%
<b>Special Assessments / Other</b>	0	0	0	0	0	0	0	0	0	0
<b>Interest Pre Tax @ 1.50%</b>	3,851	4,047	3,123	1,655	1,061	941	1,465	3,089	4,522	3,589
<b>Ending Balance</b>	278,662	264,981	154,490	67,815	74,709	51,640	145,189	269,720	337,711	144,377

1) Per association, not BRG recommendation. Large reserve contribution increases are needed until 2030/2031. All percentages and balances are dependent upon these additional funds being collected as indicated.

	2031/32	2032/33	2033/34	2034/35	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41
<b>Beginning Balance</b>	144,377	315,233	506,604	616,042	777,026	879,954	1,006,240	1,241,660	651,381	752,508
<b>Inflated Expenditures @ 2.5%</b>	55,220	40,740	128,303	82,212	145,723	127,617	24,773	851,484	160,143	173,112
<b>Reserve Contribution</b>	222,654	225,994	229,384	232,825	236,317	239,862	243,460	247,112	250,819	254,581
<i>Units/month @ 40</i>	463.86	470.82	477.88	485.05	492.33	499.71	507.21	514.82	522.54	530.38
<i>Percentage Increase</i>	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>Special Assessments / Other</b>	0	0	0	0	0	0	0	0	0	0
<b>Interest Pre Tax @ 1.50%</b>	3,421	6,118	8,357	10,370	12,335	14,041	16,734	14,092	10,451	11,899
<b>Ending Balance</b>	315,233	506,604	616,042	777,026	879,954	1,006,240	1,241,660	651,381	752,508	845,876

	2041/42	2042/43	2043/44	2044/45	2045/46	2046/47	2047/48	2048/49	2049/50	2050/51
<b>Beginning Balance</b>	845,876	796,289	789,094	862,119	883,816	991,292	1,159,569	1,329,398	1,494,514	1,704,184
<b>Inflated Expenditures @ 2.5%</b>	320,212	281,273	205,476	261,503	180,739	126,104	131,246	142,690	105,227	121,692
<b>Reserve Contribution</b>	258,400	262,276	266,210	270,203	274,256	278,370	282,546	286,784	291,086	295,452
<i>Units/month @ 40</i>	538.33	546.41	554.60	562.92	571.37	579.94	588.64	597.47	606.43	615.53
<i>Percentage Increase</i>	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
<b>Special Assessments / Other</b>	0	0	0	0	0	0	0	0	0	0
<b>Interest Pre Tax @ 1.50%</b>	12,225	11,802	12,292	12,997	13,959	16,011	18,528	21,022	23,812	26,866
<b>Ending Balance</b>	796,289	789,094	862,119	883,816	991,292	1,159,569	1,329,398	1,494,514	1,704,184	1,904,810