

Reserve Study Transmittal Letter

Date: September 06, 2019
To: Banbury Meadows Homeowners Association
From: Browning Reserve Group (BRG)

Re: Banbury Meadows Homeowners Association; Update w/o Site Visit Review NOS

Attached, please find the reserve study for Banbury Meadows Homeowners Association. To assist in your understanding of the study, and to highlight key information you may need quickly, we have listed below some of the important information contained in the study. At BRG our goal is to bring clarity from complexity, so should you have any questions, please do not hesitate to contact us anytime.

1. Where do I find the recommended reserve contribution for next year's budget?

This is found in *Section III, "30 Year Reserve Funding Plan, Cash Flow Method."* **\$19,690** is the annual amount. Directly under the annual amount is the amount per ownership interest, per month, or other period, as applicable. **\$61.53 /Lot/year @ 320**. For any other funding related issues, if any, see *Section III, "30 Year Reserve Funding Plan, Cash Flow Method."*

2. Where do I find the status of the reserve fund, based on the Percent Funded calculation?

This is found for the 30-year term of the study in *Section IV, "30 Year Reserve Funding Plan, Including Fully Funded Balance and % Funded."* For the year for which the study was prepared, 2020, the Association is **145.5%** funded.

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.

Idaho imposes no reserve funding level requirements nor does it address funding level adequacy, and 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.

3. Where do I find the assumptions for interest and inflation factors?

While this information is in various places in the study, it can always be found in *Section III, "30 Year Reserve Funding Plan, Cash Flow Method."* For this study the assumption is **Zero%** for the interest rate and **2.50%** for the inflation factor. Please be advised these rates estimate the values that will stand the test of time over the 30-year term of the study, not simply only next year.

Please read the two helpful sections entitled "Glossary" and "Notes to the Auditor." The glossary explains common reserve study terms as well as BRG specific terminology. The Notes to the Auditor while intended to assist the auditor, has useful information for the casual reader on how year zero, (2019) the current fiscal year is dealt with in the study.



RESERVE STUDY

Update w/o Site Visit Review NOS

Banbury Meadows Homeowners Association

Final

Published - September 06, 2019

Prepared for the 2020 Fiscal Year

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**Banbury Meadows
Homeowners Association**

Final

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Banbury Meadows Homeowners Association

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Member Distribution Materials

The following Reserve Study sections, located at the end of the report, should be provided to each member.

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Banbury Meadows Homeowners Association

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Reserve Study Summary

A Reserve Study was conducted of Banbury Meadows Homeowners Association (the "**Association**"). An **Update Without Site-Visit Review NOS** (Never On Site) is an update with no on-site visual observation upon where the following tasks are performed:

- life and valuation estimates;
- fund status;
- and a funding plan.

Banbury Meadows Homeowners Association is a Planned Community with a total of 320 Lots.

Summary of Reserves

For the first year of the Reserve Study, the reserve contribution is based upon the existing budget unless otherwise noted in "*Section III, Reserve Funding Plan.*" In addition BRG relied on the Association to provide an accurate Beginning Reserve Balance.

The status of the Association's reserves, as reflected in the following Reserve Study, is as follows:

- 1. The Expenditure Forecast of the following Reserve Study identifies the major components which the Association is obligated to repair, replace, restore or maintain, as determined in accordance with the criteria specified above, and specifies for each such component:**
 - a. Its current estimated replacement cost;**
 - b. Its estimated useful life; and**
 - c. Its estimated remaining useful life.**
- 2. It is estimated that the total cash reserves necessary to repair, replace, restore or maintain such major components (in the aggregate) during and at the end of their first remaining useful life is \$103,740.**
 - **[For purposes of this calculation, "necessary" is defined as the Fully Funded Balance (FFB) (Component Current Cost X Effective Age / Useful Life, including a provision for interest and inflation in future years.)]**
- 3. The current amount of accumulated cash reserves actually set aside to repair, replace, restore, or maintain such major components as of the fiscal year ending December 31, 2020 is estimated to be \$150,901, constituting 145.5% of the total expenditures anticipated for all such major components through their first end of useful life replacement.**

4. Based upon the schedule of annual reserve contributions necessary to defray the cost of repairing, replacing, restoring or maintaining such major components in the years such expenditures are estimated to be required, it is estimated that annual reserve contributions in the initial amount of \$19,690 [*\$61.53 per Lot per year (average)*] for the fiscal year ending December 31, 2020 (the first full fiscal year following first distribution of this report) will be necessary in order to meet all such reserve expenditures when they are projected to come due.

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.

Idaho imposes no reserve funding level requirements nor does it address funding level adequacy, and 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.

Percent Funded Status

Based on paragraphs 1 - 3 above, the Association is 145.5% funded. The following scale can be used as a measure to determine the Association's financial picture whereas the lower the percentage, the higher the likelihood of the Association requiring a special assessment, or other large increases to the reserve contribution in the future.



Methodology

The above recommended reserve contribution for the next fiscal year (and future fiscal years as outlined in *Section III, Reserve Fund Balance Forecast*) was developed using 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. Different reserve funding plans are tested against the anticipated schedule of reserve expenses until the desired funding goal is achieved.

Funding Goals

The funding goal employed for Banbury Meadows Homeowners Association is

Threshold Funding: Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than "Fully Funding."

Limitations

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. 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.

Supplemental Disclosures

General:

BRG has no other involvement(s) with the Association which could result in actual or perceived conflicts of interest.

Personnel Credentials:

BRG is a licensed general building contractor in California, #768851, and the owner, Robert W Browning, holds the Reserve Specialist designation, #46 from the Community Associations Institute.

Completeness:

BRG has found no material issues which, if not disclosed, would cause a distortion of the Association's situation.

Reliance on Client Data:

Information provided by the official representative of the Association regarding financial, physical, quantity, or historical issues will be deemed reliable by BRG.

Scope:

This Reserve Study is a reflection of information provided to BRG and assembled for the Association's use, not for the purpose of performing an audit, quality/forensic analysis, health and safety inspection, or background checks of historical records.

Reserve Balance:

The actual beginning reserve fund balance in this Reserve Study is based upon information provided and was not audited.

Reserve Projects:

Information provided about reserve projects will be considered reliable. Any on-site inspection should not be considered a project audit, quality inspection, or health and safety review.



Browning Reserve Group



Section II
 Banbury Meadows Homeowners Association
30 Year Expense Forecast - Detailed
 Final
 Prepared for the 2020 Fiscal Year

Reserve Component	Current		Life	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033
	Replacement	Cost																
02000 - Concrete																		
200 - Sidewalks, Curbs & Gutters Common Area	2,200	5	1		2,255					2,551					2,887			
Total 02000 - Concrete	2,200				2,255					2,551					2,887			
03000 - Painting: Exterior																		
400 - Wrought Iron 160 Lin. Ft. Pump Station Fencing	2,880	10	3				3,101										3,970	
500 - Light Poles Common Area Street Lights	7,200	8	1		7,380								8,992					
520 - Fire Hydrants 15 Common Area	1,800	10	9										2,248					
Total 03000 - Painting: Exterior	11,880				7,380		3,101						11,240				3,970	
04000 - Structural Repairs																		
996 - Miscellaneous WHIFF Wingwall Repair	3,900	15	14															5,511
Total 04000 - Structural Repairs	3,900																	5,511
18000 - Landscaping																		
100 - Irrigation: Misc. Pump #1 - Flush Out Valve	2,300	5	4				2,539						2,872					3,250
108 - Irrigation: Central Controller Pump Stations - Central Controller	4,900	10	7								5,825							
110 - Irrigation: Misc. Villas - Flush out Valves	4,234	5	3				4,560					5,159					5,837	
340 - Irrigation: Pumps 2 Motors at Pump Station #1 - 7.5HP & 10 HP	15,600	8	7								18,543							
344 - Irrigation: Pumps Pump Station #1 - Electronic Controls	4,500	7	3				4,846							5,760				
348 - Irrigation: Pumps Pump Station #1 - Stainless Filter	8,800	30	29															
352 - Irrigation: Pumps Pump Station #2 - Skid & Piping	13,200	40	23															
356 - Irrigation: Pumps 2 Motors at Pump Station #2 - 7.5HP & 10 HP	15,000	8	1		15,375								18,733					
360 - Irrigation: Pumps Pump Station #2 - Electronic Controls	4,500	7	3				4,846							5,760				
364 - Irrigation: Pumps 2 Stainless Filter at Pump Station #2	17,000	30	26															
368 - Irrigation: Pumps Pump Station #3 - Skid & Piping	13,245	40	23															
372 - Irrigation: Pumps 2 Motors at Pump Station #3 - 7.5HP & 10HP	15,000	8	5					16,971									20,678	

Reserve Component	Current Replacement			Life Useful /														Prepared for the 2020 Fiscal Year			
	Cost			2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033			
376 - Irrigation: Pumps Pump Station #3 - Electronic Controls	4,415	7	3				4,754							5,652							
380 - Irrigation: Pumps Pump Station #3 - Stainless Filter	12,000	30	28																		
384 - Irrigation: Pumps Pump Station #4 - Skid & Piping	13,000	40	23																		
388 - Irrigation: Pumps 2 Motors at Pump Station #4 - 7.5HP & 10HP	15,000	8	4				16,557									20,173					
392 - Irrigation: Pumps Pump Station #4 - Electronic Controls	4,400	7	3				4,738							5,632							
396 - Irrigation: Pumps Pump Station #4 - Stainless Filter	8,800	30	25																		
420 - General Repairs/Upgrades Common Area Planters & Shrubs	3,400	5	2			3,572				4,042						4,573					
500 - Tree Maintenance Common Area Trees	5,500	5	1		5,638				6,378					7,216							
Total 18000 - Landscaping	184,794				21,013	3,572	23,744	19,096	16,971	6,378	28,410	5,159	21,605	22,805	7,216	24,746	26,514	3,250			
18500 - Lakes / Ponds																					
330 - Aeration Heads / Diffusers Aeration System - Pump	3,000	10	9										3,747								
332 - Aeration Heads / Diffusers Aeration System - Motor	330	2	1		338		355		373		392		412		433		455				
334 - Aeration Heads / Diffusers Aeration System - Diffusers & Air Hoses	1,700	15	9										2,123								
Total 18500 - Lakes / Ponds	5,030				338		355		373		392		6,282		433		455				
20000 - Lighting																					
212 - Street: Poles Common Area	2,600	10	10											3,328							
Total 20000 - Lighting	2,600													3,328							
26000 - Outdoor Equipment																					
380 - Garbage Receptacles Boom Lake Lot #58 - Debris Container	1,798	25	0	1,798																	
Total 26000 - Outdoor Equipment	1,798			1,798																	
31000 - Reserve Study																					
120 - 5 Year Update with Site Visit Ongoing	1,500	5	5						1,697					1,920							
Total 31000 - Reserve Study	1,500								1,697					1,920							
Total Expenditures Inflated @ 2.50%				1,798	30,986	3,572	27,201	19,096	19,042	8,930	28,802	5,159	39,127	28,053	10,536	24,746	30,939	8,760			
Total Current Replacement Cost	213,702																				

Reserve Component	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
02000 - Concrete															
200 - Sidewalks, Curbs & Gutters Common Area		3,266					3,695					4,181			
Total 02000 - Concrete		3,266					3,695					4,181			
03000 - Painting: Exterior															
400 - Wrought Iron 160 Lin. Ft. Pump Station Fencing									5,082						
500 - Light Poles Common Area Street Lights			10,956								13,348				
520 - Fire Hydrants 15 Common Area					2,878										3,684
Total 03000 - Painting: Exterior			10,956		2,878				5,082		13,348				3,684
04000 - Structural Repairs															
996 - Miscellaneous WHIFF Wingwall Repair															7,981
Total 04000 - Structural Repairs															7,981
18000 - Landscaping															
100 - Irrigation: Misc. Pump #1 - Flush Out Valve					3,677					4,160					4,707
108 - Irrigation: Central Controller Pump Stations - Central Controller			7,456										9,544		
110 - Irrigation: Misc. Villas - Flush out Valves				6,604					7,471					8,453	
340 - Irrigation: Pumps 2 Motors at Pump Station #1 - 7.5HP & 10 HP	22,593								27,528						
344 - Irrigation: Pumps Pump Station #1 - Electronic Controls			6,847							8,139					
348 - Irrigation: Pumps Pump Station #1 - Stainless Filter															18,008
352 - Irrigation: Pumps Pump Station #2 - Skid & Piping									23,293						
356 - Irrigation: Pumps 2 Motors at Pump Station #2 - 7.5HP & 10 HP			22,824								27,809				
360 - Irrigation: Pumps Pump Station #2 - Electronic Controls			6,847							8,139					
364 - Irrigation: Pumps 2 Stainless Filter at Pump Station #2												32,305			
368 - Irrigation: Pumps Pump Station #3 - Skid & Piping									23,372						
372 - Irrigation: Pumps 2 Motors at Pump Station #3 - 7.5HP & 10HP							25,194								30,696
376 - Irrigation: Pumps Pump Station #3 - Electronic Controls			6,718							7,986					
380 - Irrigation: Pumps Pump Station #3 - Stainless Filter														23,958	
384 - Irrigation: Pumps Pump Station #4 - Skid & Piping									22,940						
388 - Irrigation: Pumps 2 Motors at Pump Station #4 - 7.5HP & 10HP						24,579								29,947	

Banbury Meadows Homeowners Association
30 Year Expense Forecast - Detailed

Final

Prepared for the 2020 Fiscal Year

Reserve Component	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
392 - Irrigation: Pumps Pump Station #4 - Electronic Controls			6,695							7,958					
396 - Irrigation: Pumps Pump Station #4 - Stainless Filter											16,315				
420 - General Repairs/Upgrades Common Area Planters & Shrubs			5,174					5,853					6,623		
500 - Tree Maintenance Common Area Trees		8,165					9,238					10,452			
Total 18000 - Landscaping	22,593	8,165	62,561	6,604	3,677	24,579	34,431	5,853	104,604	36,383	44,124	42,757	16,167	62,359	53,411
18500 - Lakes / Ponds															
330 - Aeration Heads / Diffusers Aeration System - Pump					4,796										6,139
332 - Aeration Heads / Diffusers Aeration System - Motor	478		502		528		554		582		612		643		675
334 - Aeration Heads / Diffusers Aeration System - Diffusers & Air Hoses										3,075					
Total 18500 - Lakes / Ponds	478		502		5,324		554		582	3,075	612		643		6,815
20000 - Lighting															
212 - Street: Poles Common Area						4,260									
Total 20000 - Lighting						4,260									
26000 - Outdoor Equipment															
380 - Garbage Receptacles Boom Lake Lot #58 - Debris Container											3,333				
Total 26000 - Outdoor Equipment											3,333				
31000 - Reserve Study															
120 - 5 Year Update with Site Visit Ongoing	2,172					2,458					2,781				
Total 31000 - Reserve Study	2,172					2,458					2,781				
Total Expenditures Inflated @ 2.50%	25,244	11,431	74,019	6,604	11,878	31,298	38,681	5,853	110,269	39,457	64,198	46,937	16,810	62,359	71,890

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Beginning Balance	145,026	162,197	150,901	167,767	161,781	164,706	168,522	183,320	179,147	199,553
Inflated Expenditures @ 2.5%	1,798	30,986	3,572	27,201	19,096	19,042	8,930	28,802	5,159	39,127
Reserve Contribution	18,969	19,690	20,438	21,215	22,021	22,858	23,727	24,629	25,565	26,536
<i>Lots/year @ 320</i>	59.28	61.53	63.87	66.30	68.82	71.43	74.15	76.97	79.89	82.93
<i>Percentage Increase</i>		3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 0.00% ¹	0	0	0	0	0	0	0	0	0	0
Ending Balance	162,197	150,901	167,767	161,781	164,706	168,522	183,320	179,147	199,553	186,962

1) Interest from reserve investments are retained in operating, not reserves.

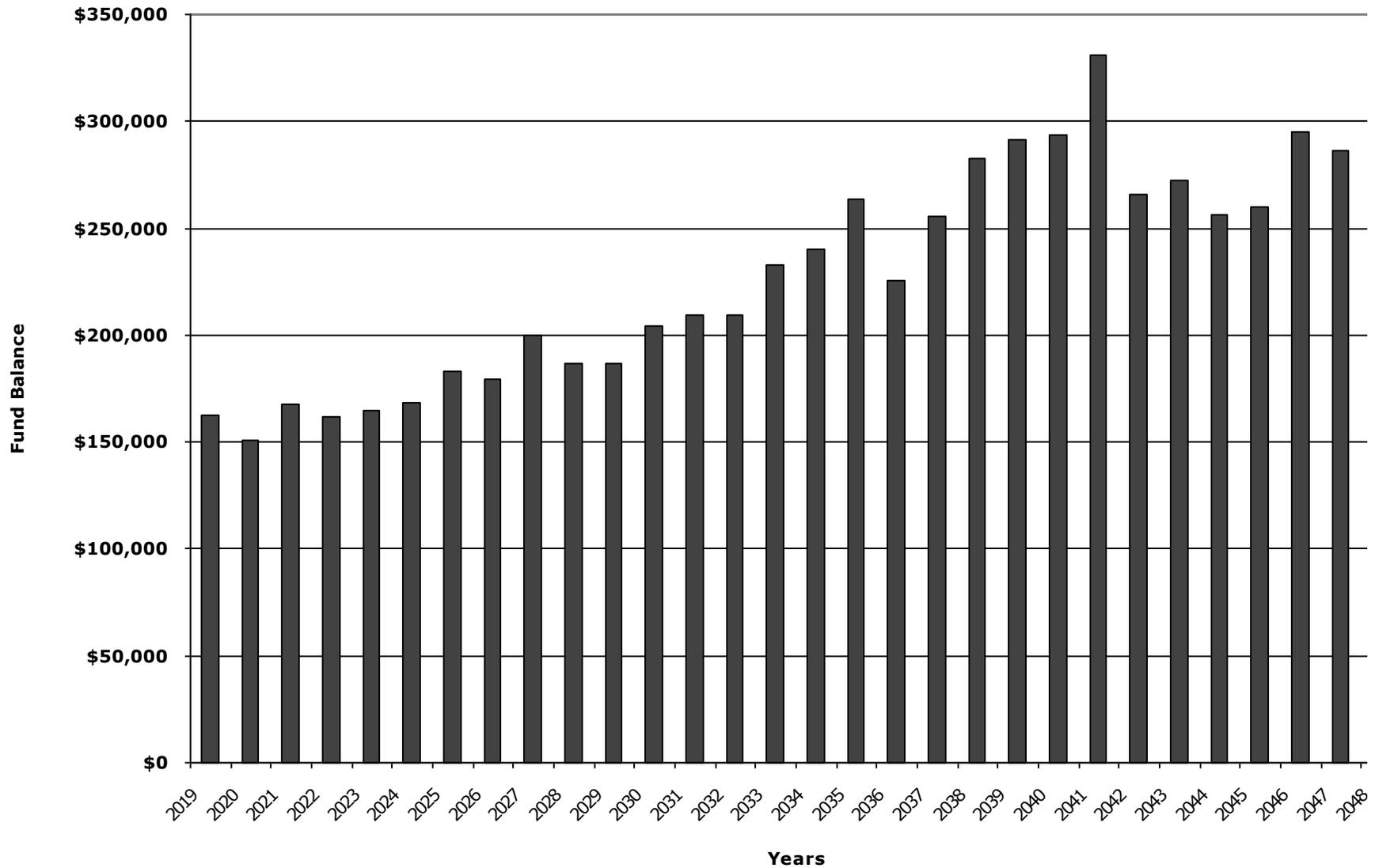
	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Beginning Balance	186,962	186,453	204,508	209,439	209,305	232,520	240,468	263,489	225,231	255,747
Inflated Expenditures @ 2.5%	28,053	10,536	24,746	30,939	8,760	25,244	11,431	74,019	6,604	11,878
Reserve Contribution	27,544	28,591	29,677	30,805	31,976	33,191	34,452	35,761	37,120	38,531
<i>Lots/year @ 320</i>	86.08	89.35	92.74	96.27	99.93	103.72	107.66	111.75	116.00	120.41
<i>Percentage Increase</i>	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 0.00%	0	0	0	0	0	0	0	0	0	0
Ending Balance	186,453	204,508	209,439	209,305	232,520	240,468	263,489	225,231	255,747	282,400

	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Beginning Balance	282,400	291,098	293,932	331,172	265,634	272,607	256,604	259,693	294,810	286,352
Inflated Expenditures @ 2.5%	31,298	38,681	5,853	110,269	39,457	64,198	46,937	16,810	62,359	71,890
Reserve Contribution	39,995	41,515	43,093	44,731	46,431	48,195	50,026	51,927	53,900	55,948
<i>Lots/year @ 320</i>	124.98	129.73	134.67	139.78	145.10	150.61	156.33	162.27	168.44	174.84
<i>Percentage Increase</i>	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 0.00%	0	0	0	0	0	0	0	0	0	0
Ending Balance	291,098	293,932	331,172	265,634	272,607	256,604	259,693	294,810	286,352	270,410

30 Year Reserve Funding Plan Cash Flow Method - Ending Balances

Final

Prepared for the 2020 Fiscal Year



30 Year Reserve Funding Plan Including Fully Funded Balance and % Funded

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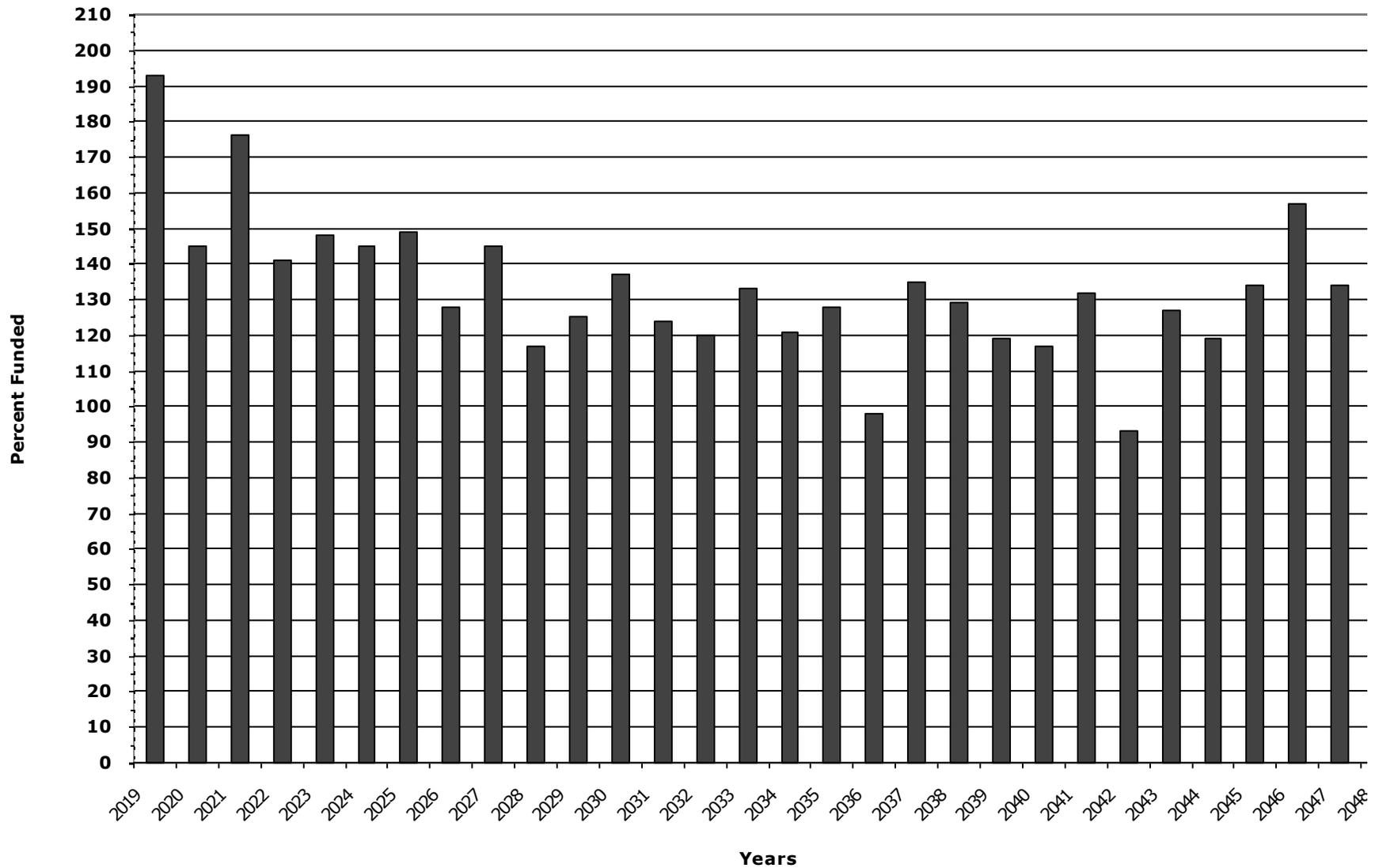
Prepared for the 2020 Fiscal Year

Year	Beginning Balance	Fully Funded Balance	Percent Funded	Inflated Expenditures @ 2.50%	Reserve Contribution	Special Assessments & Other Contributions	Interest	Ending Balance
2019	145,026	83,980	193.1%	1,798	18,969	0	0	162,197
2020	162,197	103,740	145.5%	30,986	19,690	0	0	150,901
2021	150,901	95,076	176.5%	3,572	20,438	0	0	167,767
2022	167,767	114,806	140.9%	27,201	21,215	0	0	161,781
2023	161,781	111,335	147.9%	19,096	22,021	0	0	164,706
2024	164,706	116,624	144.5%	19,042	22,858	0	0	168,522
2025	168,522	122,653	149.5%	8,930	23,727	0	0	183,320
2026	183,320	139,763	128.2%	28,802	24,629	0	0	179,147
2027	179,147	137,512	145.1%	5,159	25,565	0	0	199,553
2028	199,553	160,033	116.8%	39,127	26,536	0	0	186,962
2029	186,962	148,909	125.2%	28,053	27,544	0	0	186,453
2030	186,453	149,482	136.8%	10,536	28,591	0	0	204,508
2031	204,508	168,665	124.2%	24,746	29,677	0	0	209,439
2032	209,439	174,418	120.0%	30,939	30,805	0	0	209,305
2033	209,305	174,639	133.1%	8,760	31,976	0	0	232,520
2034	232,520	198,288	121.3%	25,244	33,191	0	0	240,468
2035	240,468	206,340	127.7%	11,431	34,452	0	0	263,489
2036	263,489	229,475	98.2%	74,019	35,761	0	0	225,231
2037	225,231	189,779	134.8%	6,604	37,120	0	0	255,747
2038	255,747	218,951	129.0%	11,878	38,531	0	0	282,400
2039	282,400	244,227	119.2%	31,298	39,995	0	0	291,098
2040	291,098	251,029	117.1%	38,681	41,515	0	0	293,932
2041	293,932	251,252	131.8%	5,853	43,093	0	0	331,172
2042	331,172	285,970	92.9%	110,269	44,731	0	0	265,634
2043	265,634	215,390	126.6%	39,457	46,431	0	0	272,607
2044	272,607	216,509	118.5%	64,198	48,195	0	0	256,604
2045	256,604	193,202	134.4%	46,937	50,026	0	0	259,693
2046	259,693	187,932	156.9%	16,810	51,927	0	0	294,810
2047	294,810	214,361	133.6%	62,359	53,900	0	0	286,352
2048	286,352	195,737	138.1%	71,890	55,948	0	0	270,410

30 Year Reserve Funding Plan Cash Flow Method - Percent Funded

Final

Prepared for the 2020 Fiscal Year





Section V

Banbury Meadows Homeowners Association

Reserve Fund Balance Forecast Component Method

Final

Prepared for the 2020 Fiscal Year

<i>Reserve Component</i>	<i>Current Repl. Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>	<i>Estimated Future Replacement Costs</i>	<i>Per Year</i>	<i>2019 Fully Funded Balance</i>	<i>2020 Fully Funded Balance</i>	<i>% Per Year Straight Line</i>	<i>2020 Line Item Contribution based on Cash Flow Method</i>
02000 - Concrete									
200 - Sidewalks, Curbs & Gutters Common Area	2,200	5	1	2,255	451	1,760	2,255	1.93%	380
03000 - Painting: Exterior									
400 - Wrought Iron 160 Lin. Ft. Pump Station Fencing	2,880	10	3	3,101	310	2,016	2,362	1.33%	261
500 - Light Poles Common Area Street Lights	7,200	8	1	7,380	923	6,300	7,380	3.94%	776
520 - Fire Hydrants 15 Common Area	1,800	10	9	2,248	225	180	369	0.96%	189
Sub-total [03000 - Painting: Exterior]	11,880			12,729	1,457	8,496	10,111	6.23%	1,227
04000 - Structural Repairs									
996 - Miscellaneous WHIFF Wingwall Repair	3,900	15	14	5,511	367	260	533	1.57%	309

Reserve Component	Current Repl. Cost	Useful Life	Remaining Life	Estimated Future Replacement Costs	Per Year	2019 Fully Funded Balance	2020 Fully Funded Balance	% Per Year Straight Line	2020 Line Item Contribution based on Cash Flow Method
18000 - Landscaping									
100 - Irrigation: Misc. Pump #1 - Flush Out Valve	2,300	5	4	2,539	508	460	943	2.17%	427
108 - Irrigation: Central Controller Pump Stations - Central Controller	4,900	10	7	5,825	582	1,470	2,009	2.49%	490
110 - Irrigation: Misc. Villas - Flush out Valves	4,234	5	3	4,560	912	1,694	2,604	3.90%	768
340 - Irrigation: Pumps 2 Motors at Pump Station #1 - 7.5HP & 10 HP	15,600	8	7	18,543	2,318	1,950	3,998	9.91%	1,951
344 - Irrigation: Pumps Pump Station #1 - Electronic Controls	4,500	7	3	4,846	692	2,571	3,295	2.96%	583
348 - Irrigation: Pumps Pump Station #1 - Stainless Filter	8,800	30	29	18,008	600	293	601	2.57%	505
352 - Irrigation: Pumps Pump Station #2 - Skid & Piping	13,200	40	23	23,293	582	5,610	6,089	2.49%	490
356 - Irrigation: Pumps 2 Motors at Pump Station #2 - 7.5HP & 10 HP	15,000	8	1	15,375	1,922	13,125	15,375	8.22%	1,618
360 - Irrigation: Pumps Pump Station #2 - Electronic Controls	4,500	7	3	4,846	692	2,571	3,295	2.96%	583
364 - Irrigation: Pumps 2 Stainless Filter at Pump Station #2	17,000	30	26	32,305	1,077	2,267	2,904	4.60%	906
368 - Irrigation: Pumps Pump Station #3 - Skid & Piping	13,245	40	23	23,372	584	5,629	6,109	2.50%	492
372 - Irrigation: Pumps 2 Motors at Pump Station #3 - 7.5HP & 10HP	15,000	8	5	16,971	2,121	5,625	7,688	9.07%	1,786
376 - Irrigation: Pumps Pump Station #3 - Electronic Controls	4,415	7	3	4,754	679	2,523	3,232	2.90%	572
380 - Irrigation: Pumps Pump Station #3 - Stainless Filter	12,000	30	28	23,958	799	800	1,230	3.41%	672
384 - Irrigation: Pumps Pump Station #4 - Skid & Piping	13,000	40	23	22,940	573	5,525	5,996	2.45%	483
388 - Irrigation: Pumps 2 Motors at Pump Station #4 - 7.5HP & 10HP	15,000	8	4	16,557	2,070	7,500	9,609	8.85%	1,742
392 - Irrigation: Pumps Pump Station #4 - Electronic Controls	4,400	7	3	4,738	677	2,514	3,221	2.89%	570
396 - Irrigation: Pumps Pump Station #4 - Stainless Filter	8,800	30	25	16,315	544	1,467	1,804	2.32%	458
420 - General Repairs/Upgrades Common Area Planters & Shrubs	3,400	5	2	3,572	714	2,040	2,788	3.05%	601
500 - Tree Maintenance Common Area Trees	5,500	5	1	5,638	1,128	4,400	5,638	4.82%	949
Sub-total [18000 - Landscaping]	184,794			268,955	19,775	70,034	88,427	84.53%	16,644

Reserve Component	Current Repl. Cost	Useful Life	Remaining Life	Estimated Future Replacement Costs	Per Year	2019 Fully Funded Balance	2020 Fully Funded Balance	% Per Year Straight Line	2020 Line Item Contribution based on Cash Flow Method
18500 - Lakes / Ponds									
330 - Aeration Heads / Diffusers Aeration System - Pump	3,000	10	9	3,747	375	300	615	1.60%	315
332 - Aeration Heads / Diffusers Aeration System - Motor	330	2	1	338	169	165	338	0.72%	142
334 - Aeration Heads / Diffusers Aeration System - Diffusers & Air Hoses	1,700	15	9	2,123	142	680	813	0.61%	119
Sub-total [18500 - Lakes / Ponds]	5,030			6,208	685	1,145	1,766	2.93%	577
20000 - Lighting									
212 - Street: Poles Common Area	2,600	10	10	3,328	303	236	267	1.29%	255
26000 - Outdoor Equipment									
380 - Garbage Receptacles Boom Lake Lot #58 - Debris Container	1,798	25	0	1,798	72	1,798	74	0.31%	61
31000 - Reserve Study									
120 - 5 Year Update with Site Visit Ongoing	1,500	5	5	1,697	283	250	308	1.21%	238
Totals	213,702			302,481	23,394	83,980	103,740	100.00%	19,690
						[A]	[B]		
						[EndBal]	[EndBal]		
						[A]	[B]		
Percent Funded						193%	145%		

02000 - Concrete

200 - Sidewalks, Curbs & Gutters	Useful Life 5	Remaining Life 1	
Common Area	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS	\$2,200	
	% Included	100.00%	Total Cost/Study \$2,200
Summary	Replacement Year	2020	Future Cost \$2,255

This is to cut, grind or repair concrete to remove or minimize vertical displacements and to maintain functionality. This is for partial replacement only.

03000 - Painting: Exterior

400 - Wrought Iron	Useful Life 10	Remaining Life 3	
160 Lin. Ft. Pump Station Fencing	Quantity 160	Unit of Measure	Linear Feet
	Cost /l.f.	\$18.00	
	% Included	100.00%	Total Cost/Study \$2,880
Summary	Replacement Year	2022	Future Cost \$3,101

This is to prepare, power wash, sand, scrape, spot prime and paint the wrought iron. Original cost estimate provided by the association.

500 - Light Poles	Useful Life 8	Remaining Life 1	
Common Area Street Lights	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS	\$7,200	
	% Included	100.00%	Total Cost/Study \$7,200
Summary	Replacement Year	2020	Future Cost \$7,380

This is to prepare and paint the light poles in common areas of the association.

520 - Fire Hydrants	Useful Life 10	Remaining Life 9	
15 Common Area	Quantity 15	Unit of Measure	Lump Sum
	Cost /LS	\$120	
	% Included	100.00%	Total Cost/Study \$1,800
Summary	Replacement Year	2028	Future Cost \$2,248

This is to prepare and paint the 15 fire hydrants. Cost & count from association.

2019- Painted in 2018.

04000 - Structural Repairs

996 - Miscellaneous	Useful Life 15	Remaining Life 14	
WHIFF Wingwall Repair	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS \$3,900		
	% Included 100.00%	Total Cost/Study	\$3,900
Summary	Replacement Year 2033	Future Cost	\$5,511

This is for WHIFF wingwall repairs.

2019 - \$3,810 was expended in 2018. Client provided information will further define this component.

18000 - Landscaping

100 - Irrigation: Misc.	Useful Life 5	Remaining Life 4	
Pump #1 - Flush Out Valve	Quantity 1	Unit of Measure	Items
	Cost /Itm \$2,300		
	% Included 100.00%	Total Cost/Study	\$2,300
Summary	Replacement Year 2023	Future Cost	\$2,539

This is for replacement of the flush out valve.

2019 - \$2,245 was expended in 2018 for new flush out valves.

108 - Irrigation: Central Controller	Useful Life 10	Remaining Life 7	
Pump Stations - Central Controller	Quantity 1	Unit of Measure	Items
	Cost /Itm \$4,900		
	% Included 100.00%	Total Cost/Study	\$4,900
Summary	Replacement Year 2026	Future Cost	\$5,825

This is to replace the central controller for all pump stations.

2019 - \$4,540 was expended in 2016 for the computer control system which controls all pump stations.

110 - Irrigation: Misc.	Useful Life 5	Remaining Life 3	
Villas - Flush out Valves	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS \$4,234		
	% Included 100.00%	Total Cost/Study	\$4,234
Summary	Replacement Year 2022	Future Cost	\$4,560

This is for major irrigation system repair in excess of the operating budget.

2019 - \$4,030 was expended in 2017 to install new flush out valves. \$4,030 was increased to \$4,234.

340 - Irrigation: Pumps	Useful Life 8	Remaining Life 7	
2 Motors at Pump Station #1 - 7.5HP & 10 HP	Quantity 2	Unit of Measure	Items
	Cost /Itm \$7,800		
	% Included 100.00%	Total Cost/Study	\$15,600
Summary	Replacement Year 2026	Future Cost	\$18,543

This is to replace the 2 motors (7.5 HP and 10HP) at pump station #1.

2019 - \$27,076 total was expended in 2018 for new filter, pump and fence.

18000 - Landscaping

344 - Irrigation: Pumps	Useful Life 7	Remaining Life 3	
Pump Station #1 - Electronic Controls	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS \$4,500		
	% Included 100.00%	Total Cost/Study	\$4,500
Summary	Replacement Year 2022	Future Cost	\$4,846
This is to replace the electronic controls at pump station #1.			

348 - Irrigation: Pumps	Useful Life 30	Remaining Life 29	
Pump Station #1 - Stainless Filter	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS \$8,800		
	% Included 100.00%	Total Cost/Study	\$8,800
Summary	Replacement Year 2048	Future Cost	\$18,008
This is for a stainless filter at pump station #1.			

352 - Irrigation: Pumps	Useful Life 40	Remaining Life 23	
Pump Station #2 - Skid & Piping	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS \$13,200		
	% Included 100.00%	Total Cost/Study	\$13,200
Summary	Replacement Year 2042	Future Cost	\$23,293
This is for the skid & piping at pump station #2.			

356 - Irrigation: Pumps	Useful Life 8	Remaining Life 1	
2 Motors at Pump Station #2 - 7.5HP & 10 HP	Quantity 2	Unit of Measure	Lump Sum
	Cost /LS \$7,500		
	% Included 100.00%	Total Cost/Study	\$15,000
Summary	Replacement Year 2020	Future Cost	\$15,375
This is to replace 2 motors (7.5 HP & 10HP) at pump station #2.			
2019 - \$4,430 was expended in 2017 for a new pump and control box.			

360 - Irrigation: Pumps	Useful Life 7	Remaining Life 3	
Pump Station #2 - Electronic Controls	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS \$4,500		
	% Included 100.00%	Total Cost/Study	\$4,500
Summary	Replacement Year 2022	Future Cost	\$4,846
This is to replace the electronic controls at pump station #2.			

364 - Irrigation: Pumps	Useful Life 30	Remaining Life 26	
2 Stainless Filter at Pump Station #2	Quantity 2	Unit of Measure	Items
	Cost /Itm \$8,500		
	% Included 100.00%	Total Cost/Study	\$17,000
Summary	Replacement Year 2045	Future Cost	\$32,305
This is to replace two stainless filters at pump station #2.			

18000 - Landscaping

368 - Irrigation: Pumps	Useful Life	40	Remaining Life	23
Pump Station #3 - Skid & Piping	Quantity	1	Unit of Measure	Lump Sum
	Cost /LS	\$13,245		
	% Included	100.00%	Total Cost/Study	\$13,245
Summary	Replacement Year	2042	Future Cost	\$23,372

This is for skid & piping at pump station #3.

372 - Irrigation: Pumps	Useful Life	8	Remaining Life	5
2 Motors at Pump Station #3 - 7.5HP & 10HP	Quantity	2	Unit of Measure	Items
	Cost /Itm	\$7,500		
	% Included	100.00%	Total Cost/Study	\$15,000
Summary	Replacement Year	2024	Future Cost	\$16,971

This is to replace 2 motors (7.5HP and 10HP) at pump station #3.

2019 - \$12,229 was expended in 2016 for repairs/replacement per client.

376 - Irrigation: Pumps	Useful Life	7	Remaining Life	3
Pump Station #3 - Electronic Controls	Quantity	1	Unit of Measure	Lump Sum
	Cost /LS	\$4,415		
	% Included	100.00%	Total Cost/Study	\$4,415
Summary	Replacement Year	2022	Future Cost	\$4,754

This is to replace the electronic controls at pump station #3.

380 - Irrigation: Pumps	Useful Life	30	Remaining Life	28
Pump Station #3 - Stainless Filter	Quantity	1	Unit of Measure	Lump Sum
	Cost /LS	\$12,000		
	% Included	100.00%	Total Cost/Study	\$12,000
Summary	Replacement Year	2047	Future Cost	\$23,958

This is to replace a stainless filter at pump station #3.

2019 - \$11,519 was expended in 2017 for a new filter system. \$8,831 cost increased to \$12,201.

384 - Irrigation: Pumps	Useful Life	40	Remaining Life	23
Pump Station #4 - Skid & Piping	Quantity	1	Unit of Measure	Lump Sum
	Cost /LS	\$13,000		
	% Included	100.00%	Total Cost/Study	\$13,000
Summary	Replacement Year	2042	Future Cost	\$22,940

This is for the replacement of skid & piping at pump station #4.

388 - Irrigation: Pumps	Useful Life	8	Remaining Life	4
2 Motors at Pump Station #4 - 7.5HP & 10HP	Quantity	2	Unit of Measure	Items
	Cost /Itm	\$7,500		
	% Included	100.00%	Total Cost/Study	\$15,000
Summary	Replacement Year	2023	Future Cost	\$16,557

This is to replace 2 motors (7.5HP and 10HP) at pump station #4.

2019 - \$4,032 was expended in 2017 for a new drive pump.

18000 - Landscaping

392 - Irrigation: Pumps	Useful Life 7	Remaining Life 3	
Pump Station #4 - Electronic Controls	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS \$4,400		
	% Included 100.00%	Total Cost/Study	\$4,400
Summary	Replacement Year 2022	Future Cost	\$4,738

This is to replace the electronic controls at pump #4.

396 - Irrigation: Pumps	Useful Life 30	Remaining Life 25	
Pump Station #4 - Stainless Filter	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS \$8,800		
	% Included 100.00%	Total Cost/Study	\$8,800
Summary	Replacement Year 2044	Future Cost	\$16,315

This is to replace the stainless filter at pump station #4.

420 - General Repairs/Upgrades	Useful Life 5	Remaining Life 2	
Common Area Planters & Shrubs	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS \$3,400		
	% Included 100.00%	Total Cost/Study	\$3,400
Summary	Replacement Year 2021	Future Cost	\$3,572

This is to have funds in excess of the operating budget for miscellaneous plantings, removals and other work as directed by the association.

2019 - \$3,650 was expended in 2016 for landscape enhancements on Colchester entrance per client.

500 - Tree Maintenance	Useful Life 5	Remaining Life 1	
Common Area Trees	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS \$5,500		
	% Included 100.00%	Total Cost/Study	\$5,500
Summary	Replacement Year 2020	Future Cost	\$5,637

This is to prune, remove and replace trees as needed to enhance the landscaping and avoid branch and root damage to nearby objects. This is in excess of the operating budget.

18500 - Lakes / Ponds

330 - Aeration Heads / Diffusers	Useful Life 10	Remaining Life 9	
Aeration System - Pump	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS \$3,000		
	% Included 100.00%	Total Cost/Study	\$3,000
Summary	Replacement Year 2028	Future Cost	\$3,747

This is to replace an air pump at pump station #2.

2019 - \$2,914 was expended in 2018 for a new pump at lot #58. \$4,415 cost decreased to \$2,986. 2024 remaining life increased to 2028.

18500 - Lakes / Ponds

332 - Aeration Heads / Diffusers	Useful Life 2	Remaining Life 1	
Aeration System - Motor	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS	\$330	
	% Included	100.00%	Total Cost/Study \$330
Summary	Replacement Year	2020	Future Cost \$338

This is to rebuild the motor at pump station #2.

334 - Aeration Heads / Diffusers	Useful Life 15	Remaining Life 9	
Aeration System - Diffusers & Air Hoses	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS	\$1,700	
	% Included	100.00%	Total Cost/Study \$1,700
Summary	Replacement Year	2028	Future Cost \$2,123

This is to replace the diffusers and air hoses at pump station #2.

20000 - Lighting

212 - Street: Poles	Useful Life 10	Remaining Life 10	
Common Area	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS	\$2,600	
	% Included	100.00%	Total Cost/Study \$2,600
Summary	Replacement Year	2029	Future Cost \$3,328

This is to replace the pole and fixture. The life of the poles and fixtures should exceed the scope of this study. As such, we are projecting to replace 1 pole and fixture every 10 years.

26000 - Outdoor Equipment

380 - Garbage Receptacles	Useful Life 25	Remaining Life 0	
Boom Lake Lot #58 - Debris Container	Quantity 1	Unit of Measure	Items
	Cost /Itm	\$1,798	
	% Included	100.00%	Total Cost/Study \$1,798
Summary	Replacement Year	2019	Future Cost \$1,798

This is to replace the debris containment unit.

2019 - \$1,798 was expended to place in service per client.

31000 - Reserve Study

120 - 5 Year Update with Site Visit	Useful Life 5	Remaining Life 5	
Ongoing	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS	\$1,500	
	% Included	100.00%	Total Cost/Study \$1,500
Summary	Replacement Year	2024	Future Cost \$1,697

This is for the 5 year complete reserve study which includes a visual observation of the accessible reserve components.

<i>Component</i>	<i>Current Replacement Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>	<i>Quantity</i>	<i>Cost/ U of M</i>	<i>Treatment</i>	<i>Location</i>
02000 - Concrete							
200 - Sidewalks, Curbs & Gutters	\$2,200	5	1	1	\$2,200/LS		Common Area
03000 - Painting: Exterior							
400 - Wrought Iron	\$2,880	10	3	160	\$18.00/l.f.		Pump Station Fencing
500 - Light Poles	\$7,200	8	1	1	\$7,200/LS		Common Area Street Lights
520 - Fire Hydrants	\$1,800	10	9	15	\$120/LS		Common Area
04000 - Structural Repairs							
996 - Miscellaneous	\$3,900	15	14	1	\$3,900/LS		WHIFF Wingwall Repair
18000 - Landscaping							
100 - Irrigation: Misc.	\$2,300	5	4	1	\$2,300/Itm		Pump #1 - Flush Out Valve
108 - Irrigation: Central Controller	\$4,900	10	7	1	\$4,900/Itm		Pump Stations - Central Controller
110 - Irrigation: Misc.	\$4,234	5	3	1	\$4,234/LS		Villas - Flush out Valves
340 - Irrigation: Pumps	\$15,600	8	7	2	\$7,800/Itm		Motors at Pump Station #1 - 7.5HP & 10 HP
344 - Irrigation: Pumps	\$4,500	7	3	1	\$4,500/LS		Pump Station #1 - Electronic Controls
348 - Irrigation: Pumps	\$8,800	30	29	1	\$8,800/LS		Pump Station #1 - Stainless Filter
352 - Irrigation: Pumps	\$13,200	40	23	1	\$13,200/LS		Pump Station #2 - Skid & Piping
356 - Irrigation: Pumps	\$15,000	8	1	2	\$7,500/LS		Motors at Pump Station #2 - 7.5HP & 10 HP
360 - Irrigation: Pumps	\$4,500	7	3	1	\$4,500/LS		Pump Station #2 - Electronic Controls
364 - Irrigation: Pumps	\$17,000	30	26	2	\$8,500/Itm		Stainless Filter at Pump Station #2
368 - Irrigation: Pumps	\$13,245	40	23	1	\$13,245/LS		Pump Station #3 - Skid & Piping
372 - Irrigation: Pumps	\$15,000	8	5	2	\$7,500/Itm		Motors at Pump Station #3 - 7.5HP & 10HP
376 - Irrigation: Pumps	\$4,415	7	3	1	\$4,415/LS		Pump Station #3 - Electronic Controls
380 - Irrigation: Pumps	\$12,000	30	28	1	\$12,000/LS		Pump Station #3 - Stainless Filter
384 - Irrigation: Pumps	\$13,000	40	23	1	\$13,000/LS		Pump Station #4 - Skid & Piping
388 - Irrigation: Pumps	\$15,000	8	4	2	\$7,500/Itm		Motors at Pump Station #4 - 7.5HP & 10HP
392 - Irrigation: Pumps	\$4,400	7	3	1	\$4,400/LS		Pump Station #4 - Electronic Controls
396 - Irrigation: Pumps	\$8,800	30	25	1	\$8,800/LS		Pump Station #4 - Stainless Filter
420 - General Repairs/Upgrades	\$3,400	5	2	1	\$3,400/LS		Common Area Planters & Shrubs
500 - Tree Maintenance	\$5,500	5	1	1	\$5,500/LS		Common Area Trees

<i>Component</i>	<i>Current Replacement Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>	<i>Quantity</i>	<i>Cost/ U of M</i>	<i>Treatment</i>	<i>Location</i>
18000 - Landscaping							
18500 - Lakes / Ponds							
330 - Aeration Heads / Diffusers	\$3,000	10	9	1	\$3,000/LS		Aeration System - Pump
332 - Aeration Heads / Diffusers	\$330	2	1	1	\$330/LS		Aeration System - Motor
334 - Aeration Heads / Diffusers	\$1,700	15	9	1	\$1,700/LS		Aeration System - Diffusers & Air Hoses
20000 - Lighting							
212 - Street: Poles	\$2,600	10	10	1	\$2,600/LS		Common Area
26000 - Outdoor Equipment							
380 - Garbage Receptacles	\$1,798	25	0	1	\$1,798/Itm		Boom Lake Lot #58 - Debris Container
31000 - Reserve Study							
120 - 5 Year Update with Site Visit	\$1,500	5	5	1	\$1,500/LS		Ongoing

<i>Reserve Component</i>	<i>Life Useful</i>	<i>Current Replacement Cost</i>	<i>Forecast Inflated Cost @ 2.50%</i>
2019			
26000 - Outdoor Equipment			
380 - Garbage Receptacles Boom Lake Lot #58 - Debris Container	25	1,798	
Total 2019:		1,798	
2020			
02000 - Concrete			
200 - Sidewalks, Curbs & Gutters Common Area	5	2,200	2,255
03000 - Painting: Exterior			
500 - Light Poles Common Area Street Lights	8	7,200	7,380
18000 - Landscaping			
356 - Irrigation: Pumps 2 Motors at Pump Station #2 - 7.5HP & 10 HP	8	15,000	15,375
500 - Tree Maintenance Common Area Trees	5	5,500	5,637
Total 18000 - Landscaping:		20,500	21,012
18500 - Lakes / Ponds			
332 - Aeration Heads / Diffusers Aeration System - Motor	2	330	338
Total 2020:		30,230	30,985
2021			
18000 - Landscaping			
420 - General Repairs/Upgrades Common Area Planters & Shrubs	5	3,400	3,572
Total 2021:		3,400	3,572

This report is intended to assist the auditor while preparing the audit, review or compilation of Banbury Meadows Homeowners Association's (the "Association") financial documents.

Browning Reserve Group ("BRG") prepared a reserve study for the Association during the 2019 fiscal year. This was done to help determine the Association's reserve contribution for the next fiscal year (2020) and future fiscal years. In addition, BRG prepared the proper statutory disclosures for distribution to the Association members.

This reserve study is an Update w/o Site Visit Review NOS. An **Update Without Site-Visit Review NOS** (Never On Site) is an update with no on-site visual observation upon where the following tasks are performed:

- life and valuation estimates;
- fund status;
- and a funding plan. Please note, as this study update did not require a site visit, and relied completely on the information provided, it is possible BRG has never visited Banbury Meadows Homeowners Association.

For BRG reserve studies, the year in which the study is being conducted, is the first year of the study. For example, this study is being prepared during 2019 and is the Association's first year in the study. This enables BRG to use a starting point which ties to the last audited financial statement, December 31, 2018. You will notice in Section III, Reserve Fund Balance Forecast, a Beginning Reserve Balance of \$145,026 is being used which ties to the last completed audit or review of the Association's financial statements. BRG then re-builds the first year of the study, in this case 2019, and estimates an ending reserve fund balance. Again, see Section III and the 2019 ending reserve balance estimate of \$162,197.

"Re-building" the first year of the study as mentioned above simply means using the 2019 adopted budget for the 2019 reserve contribution. Finally, the 2019 reserve expenses both actual and projected are estimated.

We find by using the above method a more accurate reserve study is possible because the beginning reserve fund balance ties directly to the Association's audited financial statement or, in the absence of an audit or review, the year end balance sheet. There is no need to rely on others for determining mid year reserve balances or estimating current year ending reserve balances. This approach forces all involved, to look at the current year's reserve fund activities so a more accurate ending reserve fund balance can be estimated.

With respect to the reserve component Percent Funded values on the next page(s), here are the calculations:

$$\text{FFB} = \text{Year Cost} \times \text{Year Effective Age} / \text{Useful Life}$$
$$\% \text{ Funded} = \text{Year Estimated Ending Reserve Balance} / \text{Year FFB}$$

Please see Section V - Reserve Fund Balance Forecast.

Browning Reserve Group

Reserve Component	Current Repl. Cost	Useful Life	Remaining Life	2019 Fully Funded Balance	2020 Fully Funded Balance	2020 Line Item Contribution based on Cash Flow Method
02000 - Concrete						
200 - Sidewalks, Curbs & Gutters Common Area	2,200	5	1	1,760	2,255	380
03000 - Painting: Exterior						
400 - Wrought Iron 160 Lin. Ft. Pump Station Fencing	2,880	10	3	2,016	2,362	261
500 - Light Poles Common Area Street Lights	7,200	8	1	6,300	7,380	776
520 - Fire Hydrants 15 Common Area	1,800	10	9	180	369	189
04000 - Structural Repairs						
996 - Miscellaneous WHIFF Wingwall Repair	3,900	15	14	260	533	309
18000 - Landscaping						
100 - Irrigation: Misc. Pump #1 - Flush Out Valve	2,300	5	4	460	943	427
108 - Irrigation: Central Controller Pump Stations - Central Controller	4,900	10	7	1,470	2,009	490
110 - Irrigation: Misc. Villas - Flush out Valves	4,234	5	3	1,694	2,604	768
340 - Irrigation: Pumps 2 Motors at Pump Station #1 - 7.5HP & 10 HP	15,600	8	7	1,950	3,998	1,951
344 - Irrigation: Pumps Pump Station #1 - Electronic Controls	4,500	7	3	2,571	3,295	583
348 - Irrigation: Pumps Pump Station #1 - Stainless Filter	8,800	30	29	293	601	505
352 - Irrigation: Pumps Pump Station #2 - Skid & Piping	13,200	40	23	5,610	6,089	490
356 - Irrigation: Pumps 2 Motors at Pump Station #2 - 7.5HP & 10 HP	15,000	8	1	13,125	15,375	1,618
360 - Irrigation: Pumps Pump Station #2 - Electronic Controls	4,500	7	3	2,571	3,295	583
364 - Irrigation: Pumps 2 Stainless Filter at Pump Station #2	17,000	30	26	2,267	2,904	906
368 - Irrigation: Pumps Pump Station #3 - Skid & Piping	13,245	40	23	5,629	6,109	492
372 - Irrigation: Pumps 2 Motors at Pump Station #3 - 7.5HP & 10HP	15,000	8	5	5,625	7,688	1,786
376 - Irrigation: Pumps Pump Station #3 - Electronic Controls	4,415	7	3	2,523	3,232	572
380 - Irrigation: Pumps Pump Station #3 - Stainless Filter	12,000	30	28	800	1,230	672
384 - Irrigation: Pumps Pump Station #4 - Skid & Piping	13,000	40	23	5,525	5,996	483
388 - Irrigation: Pumps 2 Motors at Pump Station #4 - 7.5HP & 10HP	15,000	8	4	7,500	9,609	1,742
392 - Irrigation: Pumps Pump Station #4 - Electronic Controls	4,400	7	3	2,514	3,221	570
396 - Irrigation: Pumps Pump Station #4 - Stainless Filter	8,800	30	25	1,467	1,804	458
420 - General Repairs/Upgrades Common Area Planters & Shrubs	3,400	5	2	2,040	2,788	601
500 - Tree Maintenance Common Area Trees	5,500	5	1	4,400	5,638	949

Reserve Component	Current Repl. Cost	Useful Life	Remaining Life	2019 Fully Funded Balance	2020 Fully Funded Balance	2020 Line Item Contribution based on Cash Flow Method
18500 - Lakes / Ponds						
330 - Aeration Heads / Diffusers Aeration System - Pump	3,000	10	9	300	615	315
332 - Aeration Heads / Diffusers Aeration System - Motor	330	2	1	165	338	142
334 - Aeration Heads / Diffusers Aeration System - Diffusers & Air Hoses	1,700	15	9	680	813	119
20000 - Lighting						
212 - Street: Poles Common Area	2,600	10	10	236	267	255
26000 - Outdoor Equipment						
380 - Garbage Receptacles Boom Lake Lot #58 - Debris Container	1,798	25	0	1,798	74	61
31000 - Reserve Study						
120 - 5 Year Update with Site Visit Ongoing	1,500	5	5	250	308	238
				[A]	[B]	
Totals	213,702			83,980	103,740	19,690
				[EndBal]	[EndBal]	
				[A]	[B]	
Percent Funded				193%	145%	

Terms & Definitions CAI

CASH FLOW METHOD: A method of developing a Reserve Funding Plan where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved.

COMPONENT INVENTORY: The task of selecting and quantifying Reserve Components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate representative(s) of the association or cooperative.

COMPONENT METHOD: A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components. See "Cash Flow Method."

COMPONENT: The individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association responsibility, 2) with limited Useful Life expectancies, 3) predictable Remaining Useful Life expectancies, 4) above a minimum threshold cost, and 5) as required by local codes.

CONDITION ASSESSMENT: The task of evaluating the current condition of the component based on observed or reported characteristics.

CURRENT REPLACEMENT COST: See "Replacement Cost."

DEFICIT: An actual (or projected) Reserve Balance less than the Fully Funded Balance. The opposite would be a Surplus.

EFFECTIVE AGE: The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

FINANCIAL ANALYSIS: The portion of a Reserve Study where current status of the Reserves (measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of a Reserve Study.

FULLY FUNDED BALANCE (FFB): Total Accrued Depreciation. An indicator against which Actual (or projected) Reserve balance can be compared. The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost. This number is calculated for each component, then summed together for an association total. Two formulae can be utilized, depending on the provider's sensitivity to interest and inflation effects. Note: Both yield identical results when interest and inflation are equivalent.

$$\text{FFB} = \text{Current Cost} \times \text{Effective Age} / \text{Useful Life}$$

or

$$\text{FFB} = (\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) + \\ [(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Interest Rate}) ^ \text{Remaining Life}] - \\ [(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Inflation Rate}) ^ \text{Remaining Life}]$$

FULLY FUNDED: 100% Funded. When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.

FUND STATUS: The status of the reserve fund as compared to an established benchmark such as percent funding.

FUNDING GOALS: Independent of methodology utilized, the following represent the basic categories of Funding Plan goals:

Baseline Funding: Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.

Full Funding: Setting a Reserve funding goal of attaining and maintaining Reserves at or near 100% funded.

Statutory Funding: Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves required by local statutes.

Threshold Funding: Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than "Fully Funding."

FUNDING PLAN: An association's plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

FUNDING PRINCIPLES:

- Sufficient Funds When Required
- Stable Contribution Rate over the Years
- Evenly Distributed Contributions over the Years
- Fiscally Responsible

LIFE AND VALUATION ESTIMATES: The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components.

PERCENT FUNDED: The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the *actual (or projected)* Reserve Balance to the *Fully Funded Balance*, expressed as a percentage.

PHYSICAL ANALYSIS: The portion of the Reserve Study where the Component Inventory, Condition Assessment, and Life and Valuation Estimate tasks are performed. This represents one of the two parts of the Reserve Study.

REMAINING USEFUL LIFE (RUL): Also referred to as "Remaining Life" (RL). The estimated time, in years, that a reserve component can be expected to continue to serve its intended function. Projects anticipated to occur in the initial year have "zero" Remaining Useful Life.

REPLACEMENT COST: The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during that particular year.

RESERVE BALANCE: Actual or projected funds as of a particular point in time that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also known as Reserves, Reserve Accounts and Cash Reserves. Based upon information provided and not audited.

RESERVE PROVIDER: An individual that prepares Reserve Studies.

RESERVE STUDY: A budget planning tool which identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: the Physical Analysis and the Financial Analysis.

RESPONSIBLE CHARGE: A reserve specialist in responsible charge of a reserve study shall render regular and effective supervision to those individuals performing services which directly and materially affect the quality and competence rendered by the reserve specialist. A reserve specialist shall maintain such records as are reasonably necessary to establish that the reserve specialist exercised regular and effective supervision of a reserve study of which he was in responsible charge. A reserve specialist engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

1. The regular and continuous absence from principal office premises from which professional services are rendered; except for performance of field work or presence in a field office maintained exclusively for a specific project;
2. The failure to personally inspect or review the work of subordinates where necessary and appropriate;
3. The rendering of a limited, cursory or perfunctory review of plans or projects in lieu of an appropriate detailed review;
4. The failure to personally be available on a reasonable basis or with adequate advance notice for consultation and inspection where circumstances require personal availability.

SPECIAL ASSESSMENT: An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by governing documents or local statutes.

SURPLUS: An actual (or projected) Reserve Balance greater than the Fully Funded Balance. See "Deficit."

USEFUL LIFE (UL): Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.

The above terms and definitions are from the Community Associations Institute (CAI) national standards.

Terms & Definitions BRG

Browning Reserve Group reserve studies use several terms that are unique to our reports. Our specialized systems have been developed to offer flexibility in many areas of our reporting. Please see below for definitions of abbreviations and symbols used in many of our reserve studies.

NR-1 (LIMITED RECURRENCE, 1 TIME): This signifies a major reserve component recurs for only a fixed number of cycles. Most often used to display a cost in a specific year only, NR-1 signifies the component only occurs one time. An NR-2 means the component will display for two cycles and so on. This makes it easy to enter one-time costs that pop up from time to time, or to display a cost that may be unique at one replacement date only.

SE-2 (SPREAD EVENLY OVER 2 YEARS): This signifies the major component, when replaced is spread evenly over 2 or more years. For example if a component will be replaced in year 8 of the study, and there is a SE-2, then the component will be replaced over 2 years, year 8 and year 9. Although the component is split over 2 or more years, each subsequent year will increase by the study's inflation factor. An SE-3 signifies the component is split over three years and so on.

NSE-2 (SPREAD NON-EVENLY OVER 2 YEARS): Similar to above, but the spread is not equal in each year. The spread is entered at a different amount for each year in the spread. The total of the spread will always equal 100% of the total replacement cost, excluding inflation.

% (PERCENT TO INCLUDE): This signifies that the component is being replaced at less than 100 percent of its replacement cost or quantity. Perhaps a component is replaced partially at each replacement year. Another example would be to do a small portion of the work at each replacement year. Oftentimes wood fencing is replaced over several cycles, and the study will display a percentage of the fence at each replacement cycle.

DELAYED START (REMAINING LIFE GREATER THAN USEFUL): In many instances a component's replacement cycle may not begin immediately, so the replacement cycle start is delayed. Delay is accomplished by setting the remaining life greater than the useful life.

ZERO REMAINING LIFE: Zero remaining life signifies that the component is replaced in the year which the study is prepared. All replacements are reflected in their replacement year, and the year in which the study is prepared is no different than any other year.



RESERVE STUDY

Member Distribution Materials

**Banbury Meadows
Homeowners Association**

Update w/o Site Visit Review NOS

Final

Published - September 06, 2019

Prepared for the 2020 Fiscal Year

<i>Section</i>	<i>Report</i>	<i>Page</i>
	Member Summary	1
<i>Section III:</i>	30 Year Reserve Funding Plan	<i>Cash Flow Method {c}</i> 3

September 06, 2019

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 prepared this Update w/o Site Visit Review NOS for the January 1, 2020 - December 31, 2020 fiscal year.

Banbury Meadows Homeowners Association is a Planned Community with a total of 320 Lots.

At the time this summary was prepared, the assumed long-term before-tax interest rate earned on reserve funds was Zero% per year, and the assumed long-term inflation rate to be applied to major component repair and replacement costs was 2.50% per year.

Browning Reserve Group has never physically inspected Banbury Meadows Homeowners Association, and this Update w/o Site Visit Review NOS (Never On Site) report is not based upon a physical inspection by Browning Reserve Group. 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 costs will depend upon the defined scope of work at the time repairs are performed. Also, any latent defects are excluded from this report.

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.

Idaho imposes no reserve funding level requirements nor does it address funding level adequacy, and 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.

Banbury Meadows Homeowners Association
 Member Summary
 Final
 Prepared for the 2020 Fiscal Year

<i>Reserve Component</i>	<i>Current Replacement Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>	<i>2019 Fully Funded Balance</i>	<i>2020 Fully Funded Balance</i>	<i>2020 Line Item Contribution based on Cash Flow Method</i>
02000 - Concrete	2,200	5-5	1-1	1,760	2,255	380
03000 - Painting: Exterior	11,880	8-10	1-9	8,496	10,111	1,227
04000 - Structural Repairs	3,900	15-15	14-14	260	533	309
18000 - Landscaping	184,794	5-40	1-29	70,034	88,427	16,644
18500 - Lakes / Ponds	5,030	2-15	1-9	1,145	1,766	577
20000 - Lighting	2,600	10-10	10-10	236	267	255
26000 - Outdoor Equipment	1,798	25-25	0-0	1,798	74	61
31000 - Reserve Study	1,500	5-5	5-5	250	308	238
Totals	\$213,702			\$83,980	\$103,740	\$19,690
Estimated Ending Balance				\$162,197	\$150,901	\$61.53
Percent Funded				193.1%	145.5%	/Lot/year @ 320

30 Year Reserve Funding Plan Cash Flow Method

Final

Prepared for the 2020 Fiscal Year

	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Beginning Balance	145,026	162,197	150,901	167,767	161,781	164,706	168,522	183,320	179,147	199,553
Inflated Expenditures @ 2.5%	1,798	30,986	3,572	27,201	19,096	19,042	8,930	28,802	5,159	39,127
Reserve Contribution	18,969	19,690	20,438	21,215	22,021	22,858	23,727	24,629	25,565	26,536
<i>Lots/year @ 320</i>	59.28	61.53	63.87	66.30	68.82	71.43	74.15	76.97	79.89	82.93
<i>Percentage Increase</i>		3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 0.00% ¹	0	0	0	0	0	0	0	0	0	0
Ending Balance	162,197	150,901	167,767	161,781	164,706	168,522	183,320	179,147	199,553	186,962

1) Interest from reserve investments are retained in operating, not reserves.

	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038
Beginning Balance	186,962	186,453	204,508	209,439	209,305	232,520	240,468	263,489	225,231	255,747
Inflated Expenditures @ 2.5%	28,053	10,536	24,746	30,939	8,760	25,244	11,431	74,019	6,604	11,878
Reserve Contribution	27,544	28,591	29,677	30,805	31,976	33,191	34,452	35,761	37,120	38,531
<i>Lots/year @ 320</i>	86.08	89.35	92.74	96.27	99.93	103.72	107.66	111.75	116.00	120.41
<i>Percentage Increase</i>	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 0.00%	0	0	0	0	0	0	0	0	0	0
Ending Balance	186,453	204,508	209,439	209,305	232,520	240,468	263,489	225,231	255,747	282,400

	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048
Beginning Balance	282,400	291,098	293,932	331,172	265,634	272,607	256,604	259,693	294,810	286,352
Inflated Expenditures @ 2.5%	31,298	38,681	5,853	110,269	39,457	64,198	46,937	16,810	62,359	71,890
Reserve Contribution	39,995	41,515	43,093	44,731	46,431	48,195	50,026	51,927	53,900	55,948
<i>Lots/year @ 320</i>	124.98	129.73	134.67	139.78	145.10	150.61	156.33	162.27	168.44	174.84
<i>Percentage Increase</i>	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%	3.8%
Special Assessments / Other	0	0	0	0	0	0	0	0	0	0
Interest Pre Tax @ 0.00%	0	0	0	0	0	0	0	0	0	0
Ending Balance	291,098	293,932	331,172	265,634	272,607	256,604	259,693	294,810	286,352	270,410