



RESERVE STUDY

Update w/o Site Visit Review

Banbury Meadows Homeowners' Association

Update

Published - July 14, 2015

Prepared for the 2016 Fiscal Year

Browning Reserve Group

/ Emmett, ID 83617

Office (208) 365-0977

Tony@BrowningRG.com / www.BrowningRG.com

© *Browning Reserve Group 2015*



**Banbury Meadows
Homeowners' Association**

Update

Table of Contents

<i>Section</i>	<i>Report</i>	<i>Page</i>
<i>Section I:</i>	Summary of Association Reserves	1
<i>Section II:</i>	30 Year Expense Forecast <i>Detailed</i>	5
<i>Section III:</i>	30 Year Reserve Funding Plan <i>Cash Flow Method {c}</i>	9
<i>Section III-a:</i>	30 Year Reserve Funding Plan <i>Cash Flow Method - Ending Balances Chart</i>	11
<i>Section IV:</i>	30 Year Reserve Funding Plan <i>Fully Funded Balance and % Funded</i>	12
<i>Section V:</i>	Reserve Fund Balance Forecast <i>Component Method</i>	13
<i>Section VI:</i>	Component Listing <i>Included Components</i>	16
<i>Section VII:</i>	Tabular Component Listing <i>Included Components</i>	22
<i>Section VII-a:</i>	Expenditures by Year <i>- Next Year</i>	24
<i>Section IX:</i>	Directory of Reserve Study Contractors	25
<i>Section X:</i>	Auditor Notes	26
<i>Section X-a:</i>	Supplementary Information for Auditor <i>Component Method</i>	28
<i>Section XI:</i>	Glossary <i>Reserve Study Terms</i>	30
<i>Addendum:</i>	Homeowner Distribution Materials <i>See Page ii for Details</i>	



Banbury Meadows Homeowners' Association

Update

Homeowner Distribution Materials

The following Reserve Study sections should be provided to each Homeowner.

Section Report

Idaho: Member Summary

Section III: 30 Year Reserve Funding Plan

Cash Flow Method {c}

Banbury Meadows Homeowners' Association

Update

Published - July 14, 2015

Prepared for the 2016 Fiscal Year

Reserve Study Summary

A Reserve Study was conducted of Banbury Meadows Homeowners' Association (the "**Association**"). An **Update Without Site-Visit Review** 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 Development 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 \$57,160.**
 - **[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, 2016 is estimated to be \$87,122, constituting 152.4% 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 \$17,172 [*\$53.66 per Lot per year (average)*] for the fiscal year ending December 31, 2016 (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 statute 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 152.4% 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.

Statutory Disclosures

Compliance

The Reserve Study complies with or exceeds all applicable statutes, if any.

Supplemental Disclosures

General:

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

Personnel Credentials:

N. Anthony Dann graduated from Cal State Northridge with Bachelors & Master of Science degrees in Business Administration, Management and Finance.

Diane M. Dann has a Certified Property Manager designation from the Institute of Real Estate Management.

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.

Component Quantities:

The Association warrants the previously developed component quantities are accurate and reliable.

Browning Reserve Group

Reserve Component	Current		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	Replacement Cost	Life Useful / Remaining															
02000 - Concrete																	
200 - Sidewalks, Curbs & Gutters Common Area	2,000	5 5						2,263					2,560				
Total 02000 - Concrete	2,000							2,263					2,560				
03000 - Painting: Exterior																	
400 - Wrought Iron 160 Lin. Ft. Pump Station Fencing	2,500	10 7								2,972							
500 - Light Poles Common Area Street Lights	6,500	8 5						7,354								8,960	
510 - Mailboxes Residential Mailboxes	9,500	8 3				10,230							12,465				
520 - Fire Hydrants Common Area	1,500	10 7								1,783							
Total 03000 - Painting: Exterior	20,000					10,230		7,354		4,755			12,465			8,960	
18000 - Landscaping																	
340 - Irrigation: Pumps Pump Station #1 - Motors	14,000	8 5						15,840								19,299	
341 - Irrigation: Pumps Pump Station #1 - Electronic Controls	4,000	7 0	4,000							4,755							5,652
342 - Irrigation: Pumps Pump Station #1 - Stainless Filter	8,000	30 0	8,000														
343 - Irrigation: Pumps Pump Station #2 - Skid & Piping	12,000	40 27															
344 - Irrigation: Pumps Pump Station #2 - Motors	14,000	8 4					15,453							18,828			
345 - Irrigation: Pumps Pump Station #2 - Electronic Controls	4,000	7 0	4,000							4,755							5,652
346 - Irrigation: Pumps Pump Station #2 - Stainless Filter	16,000	30 0	16,000														
347 - Irrigation: Pumps Pump Station #3 - Skid & Piping	12,000	40 27															
348 - Irrigation: Pumps Pump Station #3 - Motors	14,000	8 0	14,000								17,058						
349 - Irrigation: Pumps Pump Station #3 - Electronic Controls	4,000	7 0	4,000							4,755							5,652
350 - Irrigation: Pumps Pump Station #3 - Stainless Filter	8,000	30 0	8,000														
351 - Irrigation: Pumps Pump Station #4 - Skid & Piping	12,000	40 27															
352 - Irrigation: Pumps Pump Station #4 - Motors	14,000	8 0	14,000								17,058						
353 - Irrigation: Pumps Pump Station #4 - Electronic Controls	4,000	7 0	4,000							4,755							5,652
354 - Irrigation: Pumps Pump Station #4 - Stainless Filter	8,000	30 29															

Reserve Component	Current Replacement		Life Useful /		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
	Cost																		
420 - General Repairs/Upgrades Common Area Planters & Shrubs	3,000	5	3					3,231					3,655						4,136
500 - Tree Maintenance Common Area Trees	5,000	5	3					5,384					6,092						6,893
Total 18000 - Landscaping	156,000			76,000			8,615	15,453	15,840		19,019	43,863				18,828	30,327	22,608	
18500 - Lakes / Ponds																			
330 - Aeration Heads / Diffusers Aeration System - Pump	4,000	10	8										4,874						
331 - Aeration Heads / Diffusers Aeration System - Motor	300	2	0	300		315		331		348		366		384		403			424
332 - Aeration Heads / Diffusers Aeration System - Diffusers & Air Hoses	1,500	15	13																2,068
Total 18500 - Lakes / Ponds	5,800			300		315		331		348		5,239		384		403		2,068	424
20000 - Lighting																			
205 - Street: Poles & Fixtures Common Area	2,319	10	14																3,276
Total 20000 - Lighting	2,319																		3,276
31000 - Reserve Study																			
120 - 5 Year Update with Site Visit Full Reserve Study	1,300	5	2			1,366						1,545						1,748	
Total 31000 - Reserve Study	1,300					1,366						1,545						1,748	
Total Expenditures Inflated @ 2.50%																			
				76,300	0	1,681	18,846	15,785	25,457	348	25,319	49,102	0	2,944	12,465	20,980	41,355	26,308	
Total Current Replacement Cost	187,419																		

Reserve Component	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
02000 - Concrete															
200 - Sidewalks, Curbs & Gutters Common Area	2,897					3,277					3,708				
Total 02000 - Concrete	2,897					3,277					3,708				
03000 - Painting: Exterior															
400 - Wrought Iron 160 Lin. Ft. Pump Station Fencing			3,804										4,870		
500 - Light Poles Common Area Street Lights							10,917								13,302
510 - Mailboxes Residential Mailboxes					15,187								18,504		
520 - Fire Hydrants Common Area			2,282										2,922		
Total 03000 - Painting: Exterior			6,086		15,187		10,917						26,295		13,302
18000 - Landscaping															
340 - Irrigation: Pumps Pump Station #1 - Motors							23,514								28,650
341 - Irrigation: Pumps Pump Station #1 - Electronic Controls							6,718							7,986	
342 - Irrigation: Pumps Pump Station #1 - Stainless Filter															
343 - Irrigation: Pumps Pump Station #2 - Skid & Piping													23,374		
344 - Irrigation: Pumps Pump Station #2 - Motors						22,941								27,951	
345 - Irrigation: Pumps Pump Station #2 - Electronic Controls							6,718							7,986	
346 - Irrigation: Pumps Pump Station #2 - Stainless Filter															
347 - Irrigation: Pumps Pump Station #3 - Skid & Piping														23,374	
348 - Irrigation: Pumps Pump Station #3 - Motors		20,783								25,322					
349 - Irrigation: Pumps Pump Station #3 - Electronic Controls							6,718							7,986	
350 - Irrigation: Pumps Pump Station #3 - Stainless Filter															
351 - Irrigation: Pumps Pump Station #4 - Skid & Piping														23,374	
352 - Irrigation: Pumps Pump Station #4 - Motors		20,783								25,322					
353 - Irrigation: Pumps Pump Station #4 - Electronic Controls							6,718							7,986	
354 - Irrigation: Pumps Pump Station #4 - Stainless Filter															16,371
420 - General Repairs/Upgrades Common Area Planters & Shrubs				4,679					5,294					5,989	
500 - Tree Maintenance Common Area Trees				7,798					8,823					9,982	
Total 18000 - Landscaping		41,566		12,477		22,941	50,387		14,117	50,644			70,121	75,867	45,021
18500 - Lakes / Ponds															

<i>Reserve Component</i>	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
330 - Aeration Heads / Diffusers Aeration System - Pump				6,239										7,986	
331 - Aeration Heads / Diffusers Aeration System - Motor		445		468		492		516		543		570		599	
332 - Aeration Heads / Diffusers Aeration System - Diffusers & Air Hoses														2,995	
Total 18500 - Lakes / Ponds		445		6,707		492		516		543		570		11,580	
20000 - Lighting															
205 - Street: Poles & Fixtures Common Area										4,194					
Total 20000 - Lighting										4,194					
31000 - Reserve Study															
120 - 5 Year Update with Site Visit Full Reserve Study			1,978					2,238						2,532	
Total 31000 - Reserve Study			1,978					2,238						2,532	
Total Expenditures Inflated @ 2.50%	2,897	42,012	8,065	19,184	15,187	26,709	61,305	2,755	14,117	55,381	3,708	570	98,948	87,446	58,323

**See Important footnotes at end of this Section III.*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beginning Balance	129,078 ¹	69,950	87,122	102,613	100,939	102,327	94,557	112,427	105,873	76,100
Inflated Expenditures @ 2.5%	76,300	0	1,681	18,846	15,785	25,457	348	25,319	49,102	0
Reserve Contribution	17,172 ²	17,172	17,172	17,172	17,172	17,687	18,218	18,765	19,328	19,908
<i>Lots/year @ 320</i>	53.66	53.66	53.66	53.66	53.66	55.27	56.93	58.64	60.40	62.21
<i>Percentage Increase</i>		0.0%	0.0%	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%
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	69,950	87,122	102,613	100,939	102,327	94,557	112,427	105,873	76,100	96,008

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Beginning Balance	96,008	113,568	122,224	122,997	104,049	100,821	121,695	104,167	121,322	128,114
Inflated Expenditures @ 2.5%	2,944	12,465	20,980	41,355	26,308	2,897	42,012	8,065	19,184	15,187
Reserve Contribution	20,505	21,120	21,754	22,407	23,079	23,771	24,484	25,219	25,976	26,755
<i>Lots/year @ 320</i>	64.08	66.00	67.98	70.02	72.12	74.28	76.51	78.81	81.18	83.61
<i>Percentage Increase</i>	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
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	113,568	122,224	122,997	104,049	100,821	121,695	104,167	121,322	128,114	139,682

	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Beginning Balance	139,682	140,530	107,611	134,093	150,090	125,727	153,967	186,303	121,247	68,711
Inflated Expenditures @ 2.5%	26,709	61,305	2,755	14,117	55,381	3,708	570	98,948	87,446	58,323
Reserve Contribution	27,558	28,385	29,237	30,114	31,017	31,948	32,906	33,893	34,910	35,957
<i>Lots/year @ 320</i>	86.12	88.70	91.37	94.11	96.93	99.84	102.83	105.92	109.09	112.37
<i>Percentage Increase</i>	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
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	140,530	107,611	134,093	150,090	125,727	153,967	186,303	121,247	68,711	46,345

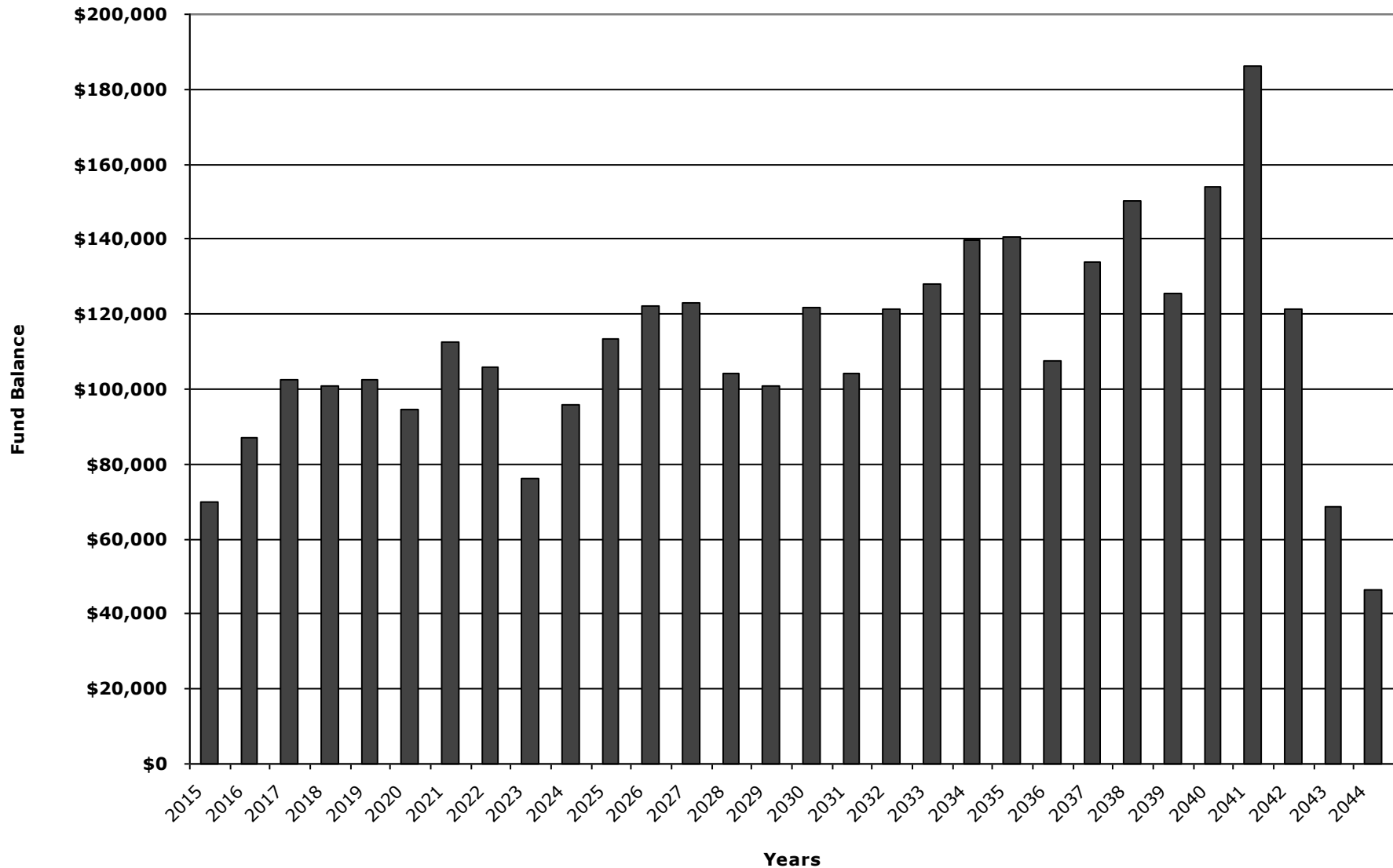
Reserve Funding Plan - Footnotes

- Period / Year
- 1) 00 / 2015 Beginning Balance provided by Board of Directors.
 - 2) Reserve Contribution needed to further fund the Reserve Account.

30 Year Reserve Funding Plan Cash Flow Method - Ending Balances

Update

Prepared for the 2016 Fiscal Year



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

Update

Prepared for the 2016 Fiscal Year

Year	Beginning Balance	Fully Funded Balance	Percent Funded	Inflated Expenditures @ 2.50%	Reserve Contribution	Special Assessments & Other Contributions	Interest	Ending Balance
2015	129,078	115,560	60.5%	76,300	17,172	0	0	69,950
2016	69,950	57,160	152.4%	0	17,172	0	0	87,122
2017	87,122	76,284	134.5%	1,681	17,172	0	0	102,613
2018	102,613	94,607	106.7%	18,846	17,172	0	0	100,939
2019	100,939	96,251	106.3%	15,785	17,172	0	0	102,327
2020	102,327	101,542	93.1%	25,457	17,687	0	0	94,557
2021	94,557	97,773	115.0%	348	18,218	0	0	112,427
2022	112,427	120,141	88.1%	25,319	18,765	0	0	105,873
2023	105,873	117,980	64.5%	49,102	19,328	0	0	76,100
2024	76,100	91,907	104.5%	0	19,908	0	0	96,008
2025	96,008	116,044	97.9%	2,944	20,505	0	0	113,568
2026	113,568	138,313	88.4%	12,465	21,120	0	0	122,224
2027	122,224	151,939	81.0%	20,980	21,754	0	0	122,997
2028	122,997	157,751	66.0%	41,355	22,407	0	0	104,049
2029	104,049	143,412	70.3%	26,308	23,079	0	0	100,821
2030	100,821	144,742	84.1%	2,897	23,771	0	0	121,695
2031	121,695	170,718	61.0%	42,012	24,484	0	0	104,167
2032	104,167	157,885	76.8%	8,065	25,219	0	0	121,322
2033	121,322	180,175	71.1%	19,184	25,976	0	0	128,114
2034	128,114	192,290	72.6%	15,187	26,755	0	0	139,682
2035	139,682	209,487	67.1%	26,709	27,558	0	0	140,530
2036	140,530	216,002	49.8%	61,305	28,385	0	0	107,611
2037	107,611	187,936	71.4%	2,755	29,237	0	0	134,093
2038	134,093	219,917	68.2%	14,117	30,114	0	0	150,090
2039	150,090	241,804	52.0%	55,381	31,017	0	0	125,727
2040	125,727	222,714	69.1%	3,708	31,948	0	0	153,967
2041	153,967	256,902	72.5%	570	32,906	0	0	186,303
2042	186,303	295,971	41.0%	98,948	33,893	0	0	121,247
2043	121,247	236,011	29.1%	87,446	34,910	0	0	68,711
2044	68,711	187,192	24.8%	58,323	35,957	0	0	46,345

Reserve Fund Balance Forecast Component Method

Update

Prepared for the 2016 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>2015 Fully Funded Balance</i>	<i>2016 Fully Funded Balance</i>	<i>% Per Year Straight Line</i>	<i>2016 Line Item Contribution based on Cash Flow Method</i>
02000 - Concrete									
200 - Sidewalks, Curbs & Gutters Common Area	2,000	5	5	2,263	377	333	410	1.97%	339
03000 - Painting: Exterior									
400 - Wrought Iron 160 Lin. Ft. Pump Station Fencing	2,500	10	7	2,972	297	750	1,025	1.56%	267
500 - Light Poles Common Area Street Lights	6,500	8	5	7,354	919	2,438	3,331	4.81%	826
510 - Mailboxes Residential Mailboxes	9,500	8	3	10,230	1,279	5,938	7,303	6.69%	1,150
520 - Fire Hydrants Common Area	1,500	10	7	1,783	178	450	615	0.93%	160
Sub-total [03000 - Painting: Exterior]	20,000			22,339	2,674	9,575	12,274	14.00%	2,403

Banbury Meadows Homeowners' Association
Reserve Fund Balance Forecast Component Method
Update
Prepared for the 2016 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>2015 Fully Funded Balance</i>	<i>2016 Fully Funded Balance</i>	<i>% Per Year Straight Line</i>	<i>2016 Line Item Contribution based on Cash Flow Method</i>
18000 - Landscaping									
340 - Irrigation: Pumps Pump Station #1 - Motors	14,000	8	5	15,840	1,980	5,250	7,175	10.36%	1,780
341 - Irrigation: Pumps Pump Station #1 - Electronic Controls	4,000	7	0	4,000	571	4,000	586	2.99%	514
342 - Irrigation: Pumps Pump Station #1 - Stainless Filter	8,000	30	0	8,000	267	8,000	273	1.40%	240
343 - Irrigation: Pumps Pump Station #2 - Skid & Piping	12,000	40	27	23,374	584	3,900	4,305	3.06%	525
344 - Irrigation: Pumps Pump Station #2 - Motors	14,000	8	4	15,453	1,932	7,000	8,969	10.11%	1,736
345 - Irrigation: Pumps Pump Station #2 - Electronic Controls	4,000	7	0	4,000	571	4,000	586	2.99%	514
346 - Irrigation: Pumps Pump Station #2 - Stainless Filter	16,000	30	0	16,000	533	16,000	547	2.79%	479
347 - Irrigation: Pumps Pump Station #3 - Skid & Piping	12,000	40	27	23,374	584	3,900	4,305	3.06%	525
348 - Irrigation: Pumps Pump Station #3 - Motors	14,000	8	0	14,000	1,750	14,000	1,794	9.16%	1,573
349 - Irrigation: Pumps Pump Station #3 - Electronic Controls	4,000	7	0	4,000	571	4,000	586	2.99%	514
350 - Irrigation: Pumps Pump Station #3 - Stainless Filter	8,000	30	0	8,000	267	8,000	273	1.40%	240
351 - Irrigation: Pumps Pump Station #4 - Skid & Piping	12,000	40	27	23,374	584	3,900	4,305	3.06%	525
352 - Irrigation: Pumps Pump Station #4 - Motors	14,000	8	0	14,000	1,750	14,000	1,794	9.16%	1,573
353 - Irrigation: Pumps Pump Station #4 - Electronic Controls	4,000	7	0	4,000	571	4,000	586	2.99%	514
354 - Irrigation: Pumps Pump Station #4 - Stainless Filter	8,000	30	29	16,371	546	267	547	2.86%	491
420 - General Repairs/Upgrades Common Area Planters & Shrubs	3,000	5	3	3,231	646	1,200	1,845	3.38%	581
500 - Tree Maintenance Common Area Trees	5,000	5	3	5,384	1,077	2,000	3,075	5.64%	968
Sub-total [18000 - Landscaping]	156,000			202,400	14,786	103,417	41,549	77.40%	13,291

Banbury Meadows Homeowners' Association
Reserve Fund Balance Forecast Component Method
Update
Prepared for the 2016 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>2015 Fully Funded Balance</i>	<i>2016 Fully Funded Balance</i>	<i>% Per Year Straight Line</i>	<i>2016 Line Item Contribution based on Cash Flow Method</i>
18500 - Lakes / Ponds									
330 - Aeration Heads / Diffusers Aeration System - Pump	4,000	10	8	4,874	487	800	1,230	2.55%	438
331 - Aeration Heads / Diffusers Aeration System - Motor	300	2	0	300	150	300	154	0.79%	135
332 - Aeration Heads / Diffusers Aeration System - Diffusers & Air Hoses	1,500	15	13	2,068	138	200	308	0.72%	124
Sub-total [18500 - Lakes / Ponds]	5,800			7,241	775	1,300	1,691	4.06%	697
20000 - Lighting									
205 - Street: Poles & Fixtures Common Area	2,319	10	14	3,276	218	155	170	1.14%	196
31000 - Reserve Study									
120 - 5 Year Update with Site Visit Full Reserve Study	1,300	5	2	1,366	273	780	1,066	1.43%	246
Totals	187,419			238,886	19,103	115,560	57,160	100.00%	17,172
						[A]	[B]		
						[EndBal]	[EndBal]		
						[A]	[B]		
Percent Funded						60.53%	152%		

02000 - Concrete

200 - Sidewalks, Curbs & Gutters	Useful Life 5	Remaining Life 5	
Common Area	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS	\$2,000	
	% Included	100.00%	Total Cost/Study \$2,000
Summary	Replacement Year	2020	Future Cost \$2,263

This is to repair, replace or grind failed concrete sidewalks, curbs and gutters to remove trip hazards and maintain functionality. Since the concrete useful life exceeds the scope of this study, this provides for repairs only and not full replacement.

03000 - Painting: Exterior

400 - Wrought Iron	Useful Life 10	Remaining Life 7	
160 Lin. Ft. Pump Station Fencing	Quantity 160	Unit of Measure	Linear Feet
	Cost /l.f.	\$15.63	
	% Included	100.00%	Total Cost/Study \$2,500
Summary	Replacement Year	2022	Future Cost \$2,972

This is to paint the wrought iron fencing with a direct to metal product. Includes preparation, sanding, scraping and primer as necessary. Cost estimate provided by Board of Directors.

Linear footage is approximate by BRG measurement.

500 - Light Poles	Useful Life 8	Remaining Life 5	
Common Area Street Lights	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS	\$6,500	
	% Included	100.00%	Total Cost/Study \$6,500
Summary	Replacement Year	2020	Future Cost \$7,354

This is to prep and paint with a direct to metal product the street lights in the common areas of the association.

510 - Mailboxes	Useful Life 8	Remaining Life 3	
Residential Mailboxes	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS	\$9,500	
	% Included	100.00%	Total Cost/Study \$9,500
Summary	Replacement Year	2018	Future Cost \$10,230

This is to prep and paint with a direct to metal product the residential mailboxes in the common area. Count and cost estimate provided by Board of Directors.

320 Mailboxes;
160 Posts

03000 - Painting: Exterior

520 - Fire Hydrants	Useful Life 10	Remaining Life 7	
Common Area	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS	\$1,500	
	% Included	100.00%	Total Cost/Study \$1,500
Summary	Replacement Year	2022	Future Cost \$1,783

This is to prep and paint with a direct to metal product the fire hydrants located in the common area of the association. Approximately 15 hydrants provided by Board of Directors.

18000 - Landscaping

340 - Irrigation: Pumps	Useful Life 8	Remaining Life 5	
Pump Station #1 - Motors	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS	\$14,000	
	% Included	100.00%	Total Cost/Study \$14,000
Summary	Replacement Year	2020	Future Cost \$15,840

This is to replace 2 motors (7.5HP and 10HP) at pump station #1. Cost estimate, useful and remaining life provided by Dan Byler.

Costing provided by Dan's Pump & Filter LLC

341 - Irrigation: Pumps	Useful Life 7	Remaining Life 0	
Pump Station #1 - Electronic Controls	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS	\$4,000	
	% Included	100.00%	Total Cost/Study \$4,000
Summary	Replacement Year	2015	Future Cost \$4,000

This is to replace the electronic controls at pump station #1. Cost estimate, useful and remaining life provided by Dan Byler.

Costing provided by Dan's Pump & Filter LLC

342 - Irrigation: Pumps	Useful Life 30	Remaining Life 0	
Pump Station #1 - Stainless Filter	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS	\$8,000	
	% Included	100.00%	Total Cost/Study \$8,000
Summary	Replacement Year	2015	Future Cost \$8,000

This for a stainless filter at pump station #1. Cost estimate, useful and remaining life provided by Dan Byler.

Costing provided by Dan's Pump & Filter LLC

343 - Irrigation: Pumps	Useful Life 40	Remaining Life 27	
Pump Station #2 - Skid & Piping	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS	\$12,000	
	% Included	100.00%	Total Cost/Study \$12,000
Summary	Replacement Year	2042	Future Cost \$23,374

This for the skid & piping at pump station #2. Cost estimate, useful and remaining life provided by Dan Byler.

Costing provided by Dan's Pump & Filter LLC

18000 - Landscaping

344 - Irrigation: Pumps Useful Life 8 Remaining Life 4
Pump Station #2 - Motors Quantity 1 Unit of Measure Lump Sum
Cost /LS \$14,000
% Included 100.00% Total Cost/Study \$14,000
Summary Replacement Year 2019 Future Cost \$15,453
This is to replace 2 motors (7.5HP and 10HP) at pump station #2. Cost estimate, useful and remaining life provided by Dan Byler.
Costing provided by Dan's Pump & Filter LLC

345 - Irrigation: Pumps Useful Life 7 Remaining Life 0
Pump Station #2 - Electronic Controls Quantity 1 Unit of Measure Lump Sum
Cost /LS \$4,000
% Included 100.00% Total Cost/Study \$4,000
Summary Replacement Year 2015 Future Cost \$4,000
This is to replace the electronic controls at pump station #2. Cost estimate, useful and remaining life provided by Dan Byler.
Costing provided by Dan's Pump & Filter LLC

346 - Irrigation: Pumps Useful Life 30 Remaining Life 0
Pump Station #2 - Stainless Filter Quantity 1 Unit of Measure Lump Sum
Cost /LS \$16,000
% Included 100.00% Total Cost/Study \$16,000
Summary Replacement Year 2015 Future Cost \$16,000
This for two stainless filters at pump station #2. Cost estimate, useful and remaining life provided by Dan Byler.
Costing provided by Dan's Pump & Filter LLC

347 - Irrigation: Pumps Useful Life 40 Remaining Life 27
Pump Station #3 - Skid & Piping Quantity 1 Unit of Measure Lump Sum
Cost /LS \$12,000
% Included 100.00% Total Cost/Study \$12,000
Summary Replacement Year 2042 Future Cost \$23,374
This for the skid & piping at pump station #3. Cost estimate, useful and remaining life provided by Dan Byler.
Costing provided by Dan's Pump & Filter LLC

348 - Irrigation: Pumps Useful Life 8 Remaining Life 0
Pump Station #3 - Motors Quantity 1 Unit of Measure Lump Sum
Cost /LS \$14,000
% Included 100.00% Total Cost/Study \$14,000
Summary Replacement Year 2015 Future Cost \$14,000
This is to replace 2 motors (7.5HP and 10HP) at pump station #3. Cost estimate, useful and remaining life provided by Dan Byler.
Costing provided by Dan's Pump & Filter LLC

18000 - Landscaping

349 - Irrigation: Pumps Useful Life 7 Remaining Life 0
 Pump Station #3 - Electronic Controls Quantity 1 Unit of Measure Lump Sum
 Cost /LS \$4,000
 % Included 100.00% Total Cost/Study \$4,000
 Summary Replacement Year 2015 Future Cost \$4,000
 This is to replace the electronic controls at pump station #3. Cost estimate, useful and remaining life provided by Dan Byler.
 Costing provided by Dan's Pump & Filter LLC

350 - Irrigation: Pumps Useful Life 30 Remaining Life 0
 Pump Station #3 - Stainless Filter Quantity 1 Unit of Measure Lump Sum
 Cost /LS \$8,000
 % Included 100.00% Total Cost/Study \$8,000
 Summary Replacement Year 2015 Future Cost \$8,000
 This for a stainless filter at pump station #3. Cost estimate, useful and remaining life provided by Dan Byler.
 Costing provided by Dan's Pump & Filter LLC

351 - Irrigation: Pumps Useful Life 40 Remaining Life 27
 Pump Station #4 - Skid & Piping Quantity 1 Unit of Measure Lump Sum
 Cost /LS \$12,000
 % Included 100.00% Total Cost/Study \$12,000
 Summary Replacement Year 2042 Future Cost \$23,374
 This for the skid & piping at pump station #4. Cost estimate, useful and remaining life provided by Dan Byler.
 Costing provided by Dan's Pump & Filter LLC

352 - Irrigation: Pumps Useful Life 8 Remaining Life 0
 Pump Station #4 - Motors Quantity 1 Unit of Measure Lump Sum
 Cost /LS \$14,000
 % Included 100.00% Total Cost/Study \$14,000
 Summary Replacement Year 2015 Future Cost \$14,000
 This is to replace 2 motors (7.5HP and 10HP) at pump station #4. Cost estimate, useful and remaining life provided by Dan Byler.
 Costing provided by Dan's Pump & Filter LLC

353 - Irrigation: Pumps Useful Life 7 Remaining Life 0
 Pump Station #4 - Electronic Controls Quantity 1 Unit of Measure Lump Sum
 Cost /LS \$4,000
 % Included 100.00% Total Cost/Study \$4,000
 Summary Replacement Year 2015 Future Cost \$4,000
 This is to replace the electronic controls at pump station #4. Cost estimate, useful and remaining life provided by Dan Byler.
 Costing provided by Dan's Pump & Filter LLC

18000 - Landscaping

354 - Irrigation: Pumps	Useful Life 30	Remaining Life 29	
Pump Station #4 - Stainless Filter	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS	\$8,000	
	% Included	100.00%	Total Cost/Study \$8,000
Summary	Replacement Year	2044	Future Cost \$16,371

This for a stainless filter at pump station #4. Cost estimate, useful and remaining life provided by Dan Byler.
Costing provided by Dan's Pump & Filter LLC

420 - General Repairs/Upgrades	Useful Life 5	Remaining Life 3	
Common Area Planters & Shrubs	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS	\$3,000	
	% Included	100.00%	Total Cost/Study \$3,000
Summary	Replacement Year	2018	Future Cost \$3,231

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

500 - Tree Maintenance	Useful Life 5	Remaining Life 3	
Common Area Trees	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS	\$5,000	
	% Included	100.00%	Total Cost/Study \$5,000
Summary	Replacement Year	2018	Future Cost \$5,384

This is to prune, remove and replace trees as needed to enhance the association's landscaping and to 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 8	
Aeration System - Pump	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS	\$4,000	
	% Included	100.00%	Total Cost/Study \$4,000
Summary	Replacement Year	2023	Future Cost \$4,874

This is to replace an air pump at pump station #2. Cost estimate provided by Vertex.

331 - Aeration Heads / Diffusers	Useful Life 2	Remaining Life 0	
Aeration System - Motor	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS	\$300	
	% Included	100.00%	Total Cost/Study \$300
Summary	Replacement Year	2015	Future Cost \$300

This is to rebuild the motor at pump station #2. Cost estimate provided by Vertex.

332 - Aeration Heads / Diffusers	Useful Life 15	Remaining Life 13	
Aeration System - Diffusers & Air Hoses	Quantity 1	Unit of Measure	Lump Sum
	Cost /LS	\$1,500	
	% Included	100.00%	Total Cost/Study \$1,500
Summary	Replacement Year	2028	Future Cost \$2,068

This is to replace the diffusers and air hoses at pump station #2. Cost estimate provided by Vertex.

18500 - Lakes / Ponds

20000 - Lighting

205 - Street: Poles & Fixtures	Useful Life 10	Remaining Life 14
Common Area	Quantity 1	Unit of Measure Items
	Cost /Itm \$2,319	
	% Included 100.00%	Total Cost/Study \$2,319
Summary	Replacement Year 2029	Future Cost \$3,276

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. Repairs can also be made from this line item. History will dictate if this projection will need to be increased as the poles/fixtures age further.

31000 - Reserve Study

120 - 5 Year Update with Site Visit	Useful Life 5	Remaining Life 2
Full Reserve Study	Quantity 1	Unit of Measure Lump Sum
	Cost /LS \$1,300	
	% Included 100.00%	Total Cost/Study \$1,300
Summary	Replacement Year 2017	Future Cost \$1,366

This is for the 5 year full study which includes a visual observation of the accessible reserve components.
 Costing provided by BRG Northwest, LLC

<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	\$2,000	5	5	1	\$2,000/LS		Common Area
03000 - Painting: Exterior							
400 - Wrought Iron	\$2,500	10	7	160	\$15.63/l.f.		Pump Station Fencing
500 - Light Poles	\$6,500	8	5	1	\$6,500/LS		Common Area Street Lights
510 - Mailboxes	\$9,500	8	3	1	\$9,500/LS		Residential Mailboxes
520 - Fire Hydrants	\$1,500	10	7	1	\$1,500/LS		Common Area
18000 - Landscaping							
340 - Irrigation: Pumps	\$14,000	8	5	1	\$14,000/LS		Pump Station #1 - Motors
341 - Irrigation: Pumps	\$4,000	7	0	1	\$4,000/LS		Pump Station #1 - Electronic Controls
342 - Irrigation: Pumps	\$8,000	30	0	1	\$8,000/LS		Pump Station #1 - Stainless Filter
343 - Irrigation: Pumps	\$12,000	40	27	1	\$12,000/LS		Pump Station #2 - Skid & Piping
344 - Irrigation: Pumps	\$14,000	8	4	1	\$14,000/LS		Pump Station #2 - Motors
345 - Irrigation: Pumps	\$4,000	7	0	1	\$4,000/LS		Pump Station #2 - Electronic Controls
346 - Irrigation: Pumps	\$16,000	30	0	1	\$16,000/LS		Pump Station #2 - Stainless Filter
347 - Irrigation: Pumps	\$12,000	40	27	1	\$12,000/LS		Pump Station #3 - Skid & Piping
348 - Irrigation: Pumps	\$14,000	8	0	1	\$14,000/LS		Pump Station #3 - Motors
349 - Irrigation: Pumps	\$4,000	7	0	1	\$4,000/LS		Pump Station #3 - Electronic Controls
350 - Irrigation: Pumps	\$8,000	30	0	1	\$8,000/LS		Pump Station #3 - Stainless Filter
351 - Irrigation: Pumps	\$12,000	40	27	1	\$12,000/LS		Pump Station #4 - Skid & Piping
352 - Irrigation: Pumps	\$14,000	8	0	1	\$14,000/LS		Pump Station #4 - Motors
353 - Irrigation: Pumps	\$4,000	7	0	1	\$4,000/LS		Pump Station #4 - Electronic Controls
354 - Irrigation: Pumps	\$8,000	30	29	1	\$8,000/LS		Pump Station #4 - Stainless Filter
420 - General Repairs/Upgrades	\$3,000	5	3	1	\$3,000/LS		Common Area Planters & Shrubs
500 - Tree Maintenance	\$5,000	5	3	1	\$5,000/LS		Common Area Trees
18500 - Lakes / Ponds							
330 - Aeration Heads / Diffusers	\$4,000	10	8	1	\$4,000/LS		Aeration System - Pump
331 - Aeration Heads / Diffusers	\$300	2	0	1	\$300/LS		Aeration System - Motor
332 - Aeration Heads / Diffusers	\$1,500	15	13	1	\$1,500/LS		Aeration System - Diffusers & Air Hoses

<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>
18500 - Lakes / Ponds							
20000 - Lighting							
205 - Street: Poles & Fixtures	\$2,319	10	14	1	\$2,319/Itm		Common Area
31000 - Reserve Study							
120 - 5 Year Update with Site Visit	\$1,300	5	2	1	\$1,300/LS		Full Reserve Study

<i>Reserve Component</i>	<i>Life Useful</i>	<i>Current Replacement Cost</i>	<i>Forecast Inflated Cost @ 2.50%</i>
2015			
18000 - Landscaping			
341 - Irrigation: Pumps Pump Station #1 - Electronic Controls	7	4,000	
342 - Irrigation: Pumps Pump Station #1 - Stainless Filter	30	8,000	
345 - Irrigation: Pumps Pump Station #2 - Electronic Controls	7	4,000	
346 - Irrigation: Pumps Pump Station #2 - Stainless Filter	30	16,000	
348 - Irrigation: Pumps Pump Station #3 - Motors	8	14,000	
349 - Irrigation: Pumps Pump Station #3 - Electronic Controls	7	4,000	
350 - Irrigation: Pumps Pump Station #3 - Stainless Filter	30	8,000	
352 - Irrigation: Pumps Pump Station #4 - Motors	8	14,000	
353 - Irrigation: Pumps Pump Station #4 - Electronic Controls	7	4,000	
Total 18000 - Landscaping:		76,000	76,000
18500 - Lakes / Ponds			
331 - Aeration Heads / Diffusers Aeration System - Motor	2	300	
Total 2015:		76,300	

BRG Northwest, LLC

Tony Dann
 P. O. Box 633
 EMMETT, ID 83617

Phone: (208) 365-0977

License #:

31000 - Reserve Study

120 - 5 Year Update with Site Visit

Full Reserve Study

Dan's Pump & Filter LLC

Dan Byler
 114 S. Highland Dr.
 Middleton, ID 83644

Phone: (208) 949-5037

License #:

18000 - Landscaping

340 - Irrigation: Pumps

Pump Station #1 - Motors

341 - Irrigation: Pumps

Pump Station #1 - Electronic Controls

342 - Irrigation: Pumps

Pump Station #1 - Stainless Filter

343 - Irrigation: Pumps

Pump Station #2 - Skid & Piping

344 - Irrigation: Pumps

Pump Station #2 - Motors

345 - Irrigation: Pumps

Pump Station #2 - Electronic Controls

346 - Irrigation: Pumps

Pump Station #2 - Stainless Filter

347 - Irrigation: Pumps

Pump Station #3 - Skid & Piping

348 - Irrigation: Pumps

Pump Station #3 - Motors

349 - Irrigation: Pumps

Pump Station #3 - Electronic Controls

350 - Irrigation: Pumps

Pump Station #3 - Stainless Filter

351 - Irrigation: Pumps

Pump Station #4 - Skid & Piping

352 - Irrigation: Pumps

Pump Station #4 - Motors

353 - Irrigation: Pumps

Pump Station #4 - Electronic Controls

354 - Irrigation: Pumps

Pump Station #4 - Stainless Filter

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 2015 fiscal year. This was done to help determine the Association's reserve contribution for the next fiscal year (2016) 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. An **Update Without Site-Visit Review** 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 2015 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, 2014. You will notice in Section III, Reserve Fund Balance Forecast, a Beginning Reserve Balance of \$129,078 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 2015, and estimates an ending reserve fund balance. Again, see Section III and the 2015 ending reserve balance estimate of \$69,950.

"Re-building" the first year of the study as mentioned above simply means using the 2015 adopted budget for the 2015 reserve contribution. Finally, the 2015 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



Banbury Meadows Homeowners' Association
Schedule of Supplementary Information for Auditor
Component Method
 Update
 Prepared for the 2016 Fiscal Year

<i>Reserve Component</i>	<i>Current Repl. Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>	<i>2015 Fully Funded Balance</i>	<i>2016 Fully Funded Balance</i>	<i>2016 Line Item Contribution based on Cash Flow Method</i>
02000 - Concrete						
200 - Sidewalks, Curbs & Gutters Common Area	2,000	5	5	333	410	339
03000 - Painting: Exterior						
400 - Wrought Iron 160 Lin. Ft. Pump Station Fencing	2,500	10	7	750	1,025	267
500 - Light Poles Common Area Street Lights	6,500	8	5	2,438	3,331	826
510 - Mailboxes Residential Mailboxes	9,500	8	3	5,938	7,303	1,150
520 - Fire Hydrants Common Area	1,500	10	7	450	615	160
18000 - Landscaping						
340 - Irrigation: Pumps Pump Station #1 - Motors	14,000	8	5	5,250	7,175	1,780
341 - Irrigation: Pumps Pump Station #1 - Electronic Controls	4,000	7	0	4,000	586	514
342 - Irrigation: Pumps Pump Station #1 - Stainless Filter	8,000	30	0	8,000	273	240
343 - Irrigation: Pumps Pump Station #2 - Skid & Piping	12,000	40	27	3,900	4,305	525
344 - Irrigation: Pumps Pump Station #2 - Motors	14,000	8	4	7,000	8,969	1,736
345 - Irrigation: Pumps Pump Station #2 - Electronic Controls	4,000	7	0	4,000	586	514
346 - Irrigation: Pumps Pump Station #2 - Stainless Filter	16,000	30	0	16,000	547	479
347 - Irrigation: Pumps Pump Station #3 - Skid & Piping	12,000	40	27	3,900	4,305	525
348 - Irrigation: Pumps Pump Station #3 - Motors	14,000	8	0	14,000	1,794	1,573
349 - Irrigation: Pumps Pump Station #3 - Electronic Controls	4,000	7	0	4,000	586	514
350 - Irrigation: Pumps Pump Station #3 - Stainless Filter	8,000	30	0	8,000	273	240
351 - Irrigation: Pumps Pump Station #4 - Skid & Piping	12,000	40	27	3,900	4,305	525
352 - Irrigation: Pumps Pump Station #4 - Motors	14,000	8	0	14,000	1,794	1,573
353 - Irrigation: Pumps Pump Station #4 - Electronic Controls	4,000	7	0	4,000	586	514
354 - Irrigation: Pumps Pump Station #4 - Stainless Filter	8,000	30	29	267	547	491
420 - General Repairs/Upgrades Common Area Planters & Shrubs	3,000	5	3	1,200	1,845	581
500 - Tree Maintenance Common Area Trees	5,000	5	3	2,000	3,075	968
18500 - Lakes / Ponds						
330 - Aeration Heads / Diffusers Aeration System - Pump	4,000	10	8	800	1,230	438
331 - Aeration Heads / Diffusers Aeration System - Motor	300	2	0	300	154	135
332 - Aeration Heads / Diffusers Aeration System - Diffusers & Air Hoses	1,500	15	13	200	308	124

Banbury Meadows Homeowners' Association
 Schedule of Supplementary Information for AuditorComponent Method
 Update
 Prepared for the 2016 Fiscal Year

<i>Reserve Component</i>	<i>Current Repl. Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>	<i>2015 Fully Funded Balance</i>	<i>2016 Fully Funded Balance</i>	<i>2016 Line Item Contribution based on Cash Flow Method</i>
20000 - Lighting						
205 - Street: Poles & Fixtures Common Area	2,319	10	14	155	170	196
31000 - Reserve Study						
120 - 5 Year Update with Site Visit Full Reserve Study	1,300	5	2	780	1,066	246
				[A]	[B]	
Totals	187,419			115,560	57,160	17,172
				[EndBal]	[EndBal]	
				[A]	[B]	
Percent Funded				61%	152%	

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

Update

Published - July 14, 2015

Prepared for the 2016 Fiscal Year

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

July 14, 2015

This is a summary of the Reserve Study that has been performed for Banbury Meadows Homeowners' Association, (the "Association"). This study was done in compliance with applicable professional standards and is being provided to you, as a member of the Association, as prescribed under these standards. A complete Reserve Study 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 prepared this Update w/o Site Visit Review for the January 1, 2016 - December 31, 2016 fiscal year.

Banbury Meadows Homeowners' Association is a Planned Development 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.

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.

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 statute 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
Idaho Member Summary
Update
Prepared for the 2016 Fiscal Year

<i>Reserve Component</i>	<i>Current Replacement Cost</i>	<i>Useful Life</i>	<i>Remaining Life</i>	<i>2015 Fully Funded Balance</i>	<i>2016 Fully Funded Balance</i>	<i>2016 Line Item Contribution based on Cash Flow Method</i>
02000 - Concrete	2,000	5-5	5-5	333	410	339
03000 - Painting: Exterior	20,000	8-10	3-7	9,575	12,274	2,403
18000 - Landscaping	156,000	5-40	0-29	103,417	41,549	13,291
18500 - Lakes / Ponds	5,800	2-15	0-13	1,300	1,691	697
20000 - Lighting	2,319	10-10	14-14	155	170	196
31000 - Reserve Study	1,300	5-5	2-2	780	1,066	246
Totals	\$187,419			\$115,560	\$57,160	\$17,172
Estimated Ending Balance				\$69,950	\$87,122	\$53.66
Percent Funded				60.5%	152.4%	/Lot/year @ 320

30 Year Reserve Funding Plan Cash Flow Method

Update

Prepared for the 2016 Fiscal Year

**See Important footnotes at end of this Section III.*

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Beginning Balance	129,078 ¹	69,950	87,122	102,613	100,939	102,327	94,557	112,427	105,873	76,100
Inflated Expenditures @ 2.5%	76,300	0	1,681	18,846	15,785	25,457	348	25,319	49,102	0
Reserve Contribution	17,172 ²	17,172	17,172	17,172	17,172	17,687	18,218	18,765	19,328	19,908
<i>Lots/year @ 320</i>	53.66	53.66	53.66	53.66	53.66	55.27	56.93	58.64	60.40	62.21
<i>Percentage Increase</i>		0.0%	0.0%	0.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%
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	69,950	87,122	102,613	100,939	102,327	94,557	112,427	105,873	76,100	96,008

	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034
Beginning Balance	96,008	113,568	122,224	122,997	104,049	100,821	121,695	104,167	121,322	128,114
Inflated Expenditures @ 2.5%	2,944	12,465	20,980	41,355	26,308	2,897	42,012	8,065	19,184	15,187
Reserve Contribution	20,505	21,120	21,754	22,407	23,079	23,771	24,484	25,219	25,976	26,755
<i>Lots/year @ 320</i>	64.08	66.00	67.98	70.02	72.12	74.28	76.51	78.81	81.18	83.61
<i>Percentage Increase</i>	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
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	113,568	122,224	122,997	104,049	100,821	121,695	104,167	121,322	128,114	139,682

	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044
Beginning Balance	139,682	140,530	107,611	134,093	150,090	125,727	153,967	186,303	121,247	68,711
Inflated Expenditures @ 2.5%	26,709	61,305	2,755	14,117	55,381	3,708	570	98,948	87,446	58,323
Reserve Contribution	27,558	28,385	29,237	30,114	31,017	31,948	32,906	33,893	34,910	35,957
<i>Lots/year @ 320</i>	86.12	88.70	91.37	94.11	96.93	99.84	102.83	105.92	109.09	112.37
<i>Percentage Increase</i>	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
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	140,530	107,611	134,093	150,090	125,727	153,967	186,303	121,247	68,711	46,345

Reserve Funding Plan - Footnotes

- Period / Year
- 1) 00 / 2015 Beginning Balance provided by Board of Directors.
 - 2) Reserve Contribution needed to further fund the Reserve Account.