

RESERVE EXPENDITURES

**Valley West
Homeowners Association**
Bozeman, Montana

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures
						Useful	Remaining	Unit (2021)	Per Phase (2021)	Total (2021)	
<u>Valley West Elements</u>											
4.020	18,300	18,300	Square Yards	Asphalt Pavement, Alleys, Crack Repair and Patch	2022	3 to 5	1	1.00	18,300	18,300	5.7%
4.040	18,300	6,100	Square Yards	Asphalt Pavement, Alleys, Mill and Overlay, Phased (Incl. Catch Basin Repairs)	2027	15 to 20	6 to 8	19.00	115,900	347,700	10.8%
4.045	18,300	6,100	Square Yards	Asphalt Pavement, Alleys, Total Replacement, Partial (Incl. Catch Basin Repairs)	2047	15 to 20	26 to 28	36.00	219,600	658,800	40.5%
4.138	6,900	765	Square Feet	Concrete Aprons, Alleys, Phased (2022 Increased in Scope)	2022	to 40	1 to 1	22.00	16,830	151,800	6.8%
4.140	25,600	1,280	Square Feet	Concrete Sidewalks, Common Areas, Partial (2023 Reduced in Scope)	2022	to 65	1 to 30+	12.50	16,000	320,000	6.5%
4.142	4,300	1,435	Square Feet	Concrete Stamped Crosswalks, Phased	2032	to 35	11 to 17	16.00	22,960	68,800	2.7%
4.600	54	9	Each	Mailbox Stations, Phased	2025	to 25	4 to 14	2,300.00	20,700	124,200	5.5%
4.700	1	1	Allowance	Ponds, Water Quality Improvements	2022	N/A	1	30,000.00	30,000	30,000	0.7%
<u>The Lakes at Valley West Elements</u>											
5.020	9,560	9,560	Square Yards	Asphalt Pavement, Alleys, Crack Repair and Patch	2027	3 to 5	6	1.00	9,560	9,560	2.7%
5.040	9,560	3,187	Square Yards	Asphalt Pavement, Alleys, Mill and Overlay, Phased	2037	15 to 20	16 to 18	19.00	60,547	181,640	7.9%
5.140	36,600	730	Square Feet	Concrete Sidewalks and Ribbon Curbs, Partial	2022	to 65	1 to 30+	12.50	9,125	457,500	3.8%
5.560	38	38	Each	Light Poles and Fixtures, Six-Foot	2040	to 25	19	1,300.00	49,400	49,400	2.3%
5.600	18	9	Each	Mailbox Stations, Phased	2041	to 25	20 to 22	2,300.00	20,700	41,400	2.1%
5.730	2,050	820	Linear Feet	Pond, West Lake, Erosion Control and Sediment Removal, Partial	2034	15 to 20	13 to 30+	62.00	50,840	127,100	1.9%

Anticipated Expenditures, By Year (\$4,115,121 over 30 years)

Explanatory Notes:

- 1) **3.5%** is the estimated Inflation Rate for estimating Future Replacement Costs.
- 2) **FY2021** is Fiscal Year beginning July 1, 2021 and ending June 30, 2022.

RUL = 0 FY2021	1 2022	2 2023	3 2024	4 2025	5 2026	6 2027	7 2028	8 2029	9 2030	10 2031	11 2032	12 2033	13 2034	14 2035	15 2036
	18,940								24,941						28,620
						142,471	147,457	152,618							
	34,838			19,313		20,689	21,413	22,162							
	8,280			18,361			20,357			22,570				25,024	
											33,521				37,165
				23,754		25,446		27,258		29,199		31,279			33,507
	30,000														
						11,752				13,485					15,475
	9,444			10,471			11,610			12,872					14,271
															79,512
0	101,502	0	0	71,899	0	200,358	200,836	202,038	24,941	78,126	33,521	31,279	147,427	86,147	0

16 2037	17 2038	18 2039	19 2040	20 2041	21 2042	22 2043	23 2044	24 2045	25 2046	26 2047	27 2048	28 2049	29 2050	30 2051
	32,843				37,688				43,247					49,627
										537,132	555,932	575,390		
			32,356							41,166	42,607	44,098		
27,744			30,760			34,104			37,812				41,923	
	41,206													56,136
							20,377			23,383				26,833
104,987	108,662	112,465												
15,823			17,543			19,450			21,565			23,909		
			94,972											
				41,189		44,122								
148,554	182,711	112,465	175,631	41,189	37,688	118,053	0	0	102,624	601,681	598,539	685,320	105,763	26,833

RESERVE FUNDING PLAN

CASH FLOW ANALYSIS

Valley West

Homeowners Association

Bozeman, Montana

Individual Reserve Budgets & Cash Flows for the Next 30 Years

	FY2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Reserves at Beginning of Year	(Note 1) 266,239	356,965	336,381	420,220	507,456	526,062	619,959	516,566	415,280	315,491	396,232	427,780	508,023	594,991	570,028	610,498
Total Recommended Reserve Contributions	(Note 2) 90,000	78,500	81,200	84,000	86,900	89,900	93,000	96,300	99,700	103,200	106,800	110,500	114,400	118,400	122,500	126,800
Estimated Interest Earned, During Year	(Note 3) 726	2,418	2,639	3,236	3,605	3,997	3,964	3,250	2,549	2,482	2,874	3,264	3,847	4,063	4,117	4,717
Anticipated Expenditures, By Year	0	(101,502)	0	0	(71,899)	0	(200,358)	(200,836)	(202,038)	(24,941)	(78,126)	(33,521)	(31,279)	(147,427)	(86,147)	0
Anticipated Reserves at Year End	\$356,965	\$336,381	\$420,220	\$507,456	\$526,062	\$619,959	\$516,566	\$415,280	\$315,491	\$396,232	\$427,780	\$508,023	\$594,991	\$570,028	\$610,498	\$742,015

Predicted Reserves based on 2022 funding level of: \$30,000 356,965 287,711 319,830 352,174 312,594 344,887 176,348 6,149 (166,448) (162,536)

(continued)

Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued

	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Reserves at Beginning of Year	742,015	729,794	687,827	720,875	695,685	810,349	934,647	984,688	1,159,165	1,340,684	1,426,511	1,018,459	617,225	132,822	233,537
Total Recommended Reserve Contributions	131,200	135,800	140,600	145,500	150,600	155,900	161,400	167,000	172,800	178,800	185,100	191,600	198,300	205,200	212,400
Estimated Interest Earned, During Year	5,133	4,944	4,913	4,941	5,253	6,086	6,694	7,477	8,719	9,651	8,528	5,705	2,616	1,278	2,284
Anticipated Expenditures, By Year	(148,554)	(182,711)	(112,465)	(175,631)	(41,189)	(37,688)	(118,053)	0	0	(102,624)	(601,681)	(598,539)	(685,320)	(105,763)	(26,833)
Anticipated Reserves at Year End	\$729,794	\$687,827	\$720,875	\$695,685	\$810,349	\$934,647	\$984,688	\$1,159,165	\$1,340,684	\$1,426,511	\$1,018,459	\$617,225	\$132,822	\$233,537	\$421,388

(NOTE 5) (NOTE 4)

Explanatory Notes:

- 1) Year 2021 starting reserves are as of April 30, 2022; FY2021 starts July 1, 2021 and ends June 30, 2022.
- 2) Reserve Contributions for 2021 are budgeted; 2022 is the first year of recommended contributions.
- 3) 0.7% is the estimated annual rate of return on invested reserves; 2021 is a partial year of interest earned.
- 4) Accumulated year 2051 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Year (reserve balance at critical point).

Bozeman City Parks Elements
RESERVE EXPENDITURES

Valley West
Homeowners Association
Bozeman, Montana

Line Item	Total Quantity	Per Phase Quantity	Units	Reserve Component Inventory	Estimated 1st Year of Event	Life Analysis, Years		Costs, \$			Percentage of Future Expenditures
						Useful	Remaining	Unit (2021)	Per Phase (2021)	Total (2021)	
<u>Valley West Elements</u>											
4.060	850	850	Square Feet	Bridge Decks, Composite, Replacement	2027	20 to 25	6	22.00	18,700	18,700	2.5%
4.085	1	1	Allowance	Bridges and Pavilions, Sealer Applications and Repairs	2023	to 3	2	12,000.00	12,000	12,000	7.8%
4.086	2,690	2,690	Square Feet	Bridges and Pavilions, Roofs, Steel	2037	to 30	16	11.00	29,590	29,590	1.9%
4.410	2	1	Allowance	Irrigation System, Controls and Pumps, Phased	2022	to 15	1 to 8	12,500.00	12,500	25,000	4.0%
4.420	98	25	Zones	Irrigation System, Phased	2040	to 40+	19 to 25	2,800.00	68,600	274,400	21.4%
4.500	1	1	Allowance	Landscape, Partial Replacements and Gravel Replenishment	2024	to 5	3	25,000.00	25,000	25,000	9.7%
4.660	1	1	Allowance	Playground Equipment	2025	15 to 20	4	97,000.00	97,000	97,000	11.6%
4.730	2,100	840	Linear Feet	Ponds, Erosion Control and Sediment Removal, Partial	2026	15 to 20	5 to 30+	62.00	52,080	130,200	7.6%
4.820	1	1	Allowance	Site Amenities and Furniture	2025	15 to 20	4	45,000.00	45,000	45,000	5.4%
4.830	1	1	Allowance	Stream, Control Structure	2036	to 35	15	18,000.00	18,000	18,000	1.1%
4.835	6,000	600	Linear Feet	Stream, Erosion Control, Partial	2028	10 to 15	7 to 30+	110.00	66,000	660,000	7.7%
<u>The Lakes at Valley West Elements</u>											
5.510	2	1	Each	Irrigation System, Controls and Pumps	2030	to 15	9 to 11	12,500.00	12,500	25,000	3.4%
5.600	1	1	Allowance	Pavilions, Sealer Applications and Repairs	2023	to 3	2	5,000.00	5,000	5,000	3.3%
5.610	2,150	2,150	Square Feet	Pavilions, Roofs, Steel	2048	to 30	27	11.00	23,650	23,650	2.2%
5.660	1	1	Allowance	Playground Equipment	2035	15 to 20	14	110,000.00	110,000	110,000	6.5%
5.730	1,900	760	Linear Feet	Ponds, East Lake, Erosion Control and Sediment Removal, Partial	2034	15 to 20	13 to 30+	62.00	47,120	117,800	2.7%
5.800	1	1	Allowance	Site Furniture	2035	15 to 20	14	20,000.00	20,000	20,000	1.2%

Anticipated Expenditures, By Year (\$2,738,080 over 30 years)

Explanatory Notes:

- 1) **3.5%** is the estimated Inflation Rate for estimating Future Replacement Costs.
- 2) FY2021 is Fiscal Year beginning July 1, 2021 and ending June 30, 2022.

RUL = 0 FY2021	1 2022	2 2023	3 2024	4 2025	5 2026	6 2027	7 2028	8 2029	9 2030	10 2031	11 2032	12 2033	13 2034	14 2035	15 2036
						22,987									
		12,855			14,252			15,802			17,520				19,424
	12,937							16,460							20,942
			27,718					32,920						39,099	
			111,310												
					61,855										
			51,639												30,156
							83,970								
									17,036		18,250				
		5,356			5,938			6,584			7,300				8,093
															178,056
													73,694		
															32,374
0	12,937	18,211	27,718	162,949	82,045	22,987	83,970	71,766	17,036	0	43,070	0	112,793	237,947	51,098

16 2037	17 2038	18 2039	19 2040	20 2041	21 2042	22 2043	23 2044	24 2045	25 2046	26 2047	27 2048	28 2049	29 2050	30 2051
										45,739				
51,309	21,536			23,877			26,473			29,352			32,543	
						26,644							33,898	
			131,884		141,277		151,339		162,119					
	46,437						55,153					65,504		
						206,757								146,178
						95,918								
			126,885											
							27,576		29,541					
	8,973			9,949			11,031			12,230			13,559	
											59,872			
51,309	30,509	46,437	258,769	33,826	141,277	329,319	271,572	0	191,660	87,321	59,872	65,504	80,000	146,178

RESERVE FUNDING PLAN

Bozeman City Parks Elements

CASH FLOW ANALYSIS

Valley West

Homeowners Association

Bozeman, Montana

Individual Reserve Budgets & Cash Flows for the Next 30 Years

	FY2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Reserves at Beginning of Year	(Note 1)	N/A	0	49,235	95,730	135,217	41,585	30,893	81,899	74,675	82,357	147,824	233,755	280,077	373,055	356,707	217,964
Total Recommended Reserve Contributions	(Note 2)	N/A	62,000	64,200	66,400	68,700	71,100	73,600	76,200	78,900	81,700	84,600	87,600	90,700	93,900	97,200	100,600
Estimated Interest Earned, During Year	(Note 3)	N/A	172	506	805	617	253	393	546	548	803	1,331	1,792	2,278	2,545	2,004	1,699
Anticipated Expenditures, By Year		N/A	(12,937)	(18,211)	(27,718)	(162,949)	(82,045)	(22,987)	(83,970)	(71,766)	(17,036)	0	(43,070)	0	(112,793)	(237,947)	(51,098)
Anticipated Reserves at Year End		N/A	<u>\$49,235</u>	<u>\$95,730</u>	<u>\$135,217</u>	<u>\$41,585</u>	<u>\$30,893</u>	<u>\$81,899</u>	<u>\$74,675</u>	<u>\$82,357</u>	<u>\$147,824</u>	<u>\$233,755</u>	<u>\$280,077</u>	<u>\$373,055</u>	<u>\$356,707</u>	<u>\$217,964</u>	<u>\$269,165</u>

(NOTE 5)

(continued)

Individual Reserve Budgets & Cash Flows for the Next 30 Years, Continued

	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Reserves at Beginning of Year	269,165	324,025	403,754	471,871	331,303	419,496	404,694	205,403	67,182	205,132	156,533	217,316	311,187	405,382	491,209
Total Recommended Reserve Contributions	104,100	107,700	111,500	115,400	119,400	123,600	127,900	132,400	137,000	141,800	146,800	151,900	157,200	162,700	168,400
Estimated Interest Earned, During Year	2,069	2,538	3,054	2,801	2,619	2,875	2,128	951	950	1,261	1,304	1,843	2,499	3,127	3,516
Anticipated Expenditures, By Year	(51,309)	(30,509)	(46,437)	(258,769)	(33,826)	(141,277)	(329,319)	(271,572)	0	(191,660)	(87,321)	(59,872)	(65,504)	(80,000)	(146,178)
Anticipated Reserves at Year End	<u>\$324,025</u>	<u>\$403,754</u>	<u>\$471,871</u>	<u>\$331,303</u>	<u>\$419,496</u>	<u>\$404,694</u>	<u>\$205,403</u>	<u>\$67,182</u>	<u>\$205,132</u>	<u>\$156,533</u>	<u>\$217,316</u>	<u>\$311,187</u>	<u>\$405,382</u>	<u>\$491,209</u>	<u>\$516,947</u>

(NOTE 5)

(NOTE 4)

Explanatory Notes:

- 1) Year 2021 starting reserves are as of April 30, 2022; FY2021 starts July 1, 2021 and ends June 30, 2022.
- 2) 2022 is the first year of recommended contributions.
- 3) 0.7% is the estimated annual rate of return on invested reserves; 2021 is a partial year of interest earned.
- 4) Accumulated year 2051 ending reserves consider the age, size, overall condition and complexity of the property.
- 5) Threshold Funding Years (reserve balance at critical point).