

3- Minute Executive Summary

Association: The Buttes HOA **Assoc. #: 23453-0**
Location: Orting, WA
of Units: 350
Report Period: January 1, 2013 through December 31, 2013

Results as-of 1/1/2013:

Projected Starting Reserve Balance:	\$15,000
Fully Funded Reserve Balance:	\$343,122
Average Reserve Deficit (Surplus) Per Unit:	\$937
Percent Funded:	4.4%
100% Full Funding 2013 Monthly Reserve Contribution	\$4,846
70% Threshold Monthly Reserve Contribution	\$4,505
Baseline Contribution (min to maintain reserves above \$0)	\$4,040
Recommended 2013 Special Assessment for Reserves:	\$0
Most Recent Reserve Contribution Rate:	\$0

Economic Assumptions:

Net Annual "After Tax" Interest Earnings Accruing to Reserves..... 1.00%
Annual Inflation Rate 3.00%

- The information in this Reserve Study is based on our site inspection on June 4, 2012, meets or exceeds all requirements of the RCW and was prepared by a credentialed Reserve Specialist (RS 153).
- Your Reserve Fund is currently 4.4% Funded. Comparatively, the 70-130% level is where associations statistically enjoy fiscal stability with low risk of special assessment and/or deferred maintenance.
- Based on this starting point and your anticipated future expenses, our recommendation is to establish your Monthly Reserve Contributions to within the 70% to 100% Full Funding range as noted above (Tables and charts herein reflect Full Funding as our recommended contribution). Full and 70% contribution rates are designed to achieve the stated funding objective by the end of our 30-year report scope.
- See photo pages for detailed component information and the basis of our assumptions.

# Component	Useful Life (yrs)	Rem. Useful Life (yrs)	Current Average Cost	Future Average Cost
Site/Grounds				
105 Asphalt Street, 1/3 - Resurface (a)	35	24	\$298,300	\$606,382
105 Asphalt Street, 1/3 - Resurface (b)	35	25	\$298,300	\$624,574
105 Asphalt Street, 1/3 - Resurface (c)	35	26	\$298,300	\$643,311
106 Asphalt Street - Restripe	4	1	\$3,500	\$3,605
107 Asphalt Path - Maintain/Resurface	40	30	\$144,400	\$350,497
110 Community Signage - Replace	25	14	\$5,250	\$7,941
118 Mailbox Housings - Replace	30	19	\$36,000	\$63,126
Systems/Equipment				
908 Entry Access - Replace	10	9	\$4,500	\$5,871
910 Entry Gate Operators-Replace	7	1	\$16,000	\$16,480
912 Entry Gates - Replace	30	19	\$28,000	\$49,098
914 Emergency Gate/Fence - Replace	40	29	\$2,800	\$6,598
920 Surveillance System - Replace	7	0	\$8,000	\$9,839
12 Total Funded Components				

Notes:

Cross reference component numbers with photographic inventory appendix.

Highlighting denotes projects anticipated to occur in the initial year

A reserve-funding threshold of \$1,200 is established for your association (expenses below this level expected to be factored within operating budget).