

Mediterranean Villas Homeowners Association  
2014 Proposed Budget  
Supplemental Budget Information on Reserves

In Compliance with RCW 64.38

September 12, 2013

|   |             |
|---|-------------|
| Current Budgeted Contribution to Reserves:  | \$26,790    |
| Recommended Contribution to Reserves:       | \$26,790    |
| Funding Plan Used for Recommendation:       | Primary Fun |
| Proposed Budget's Contribution to Reserves: | \$32,000    |

Is Additional Funding (through Special Assessment) Planned? No

When is it due?

What is its purpose?

Amount per Unit per year (on average)?

Amount per Unit per month (on average)?

Based upon the most recent Reserve Study, will the Association have funds to meet obligations for the next 30 years at the current contribution rate? Yes

If funds are insufficient, see attached spreadsheet for what additional payments may be due and when.

|                                      |                  |                   |
|--------------------------------------|------------------|-------------------|
|                                      | <b>Per Study</b> | <b>Per Budget</b> |
| Projected Year End Reserve Balance   | \$285,004        | \$284,842         |
| Percent Funded as of the study date: | 113.00%          |                   |

| Estimates Per Study:                          | 2013      | 2014      | 2015      | 2016      | 2017      |
|---|-----------|-----------|-----------|-----------|-----------|
| Year End Balance at Recommended Contribution: | \$285,004 | \$289,927 | \$312,502 | \$332,693 | \$355,136 |
| Year End Balance at Current Contribution:     | \$285,007 | \$289,929 | \$301,983 | \$311,628 | \$323,502 |
| Projected Percent Fully Funded:               | 91.50%    | 86.80%    | 80.90%    | 77.10%    | 74.50%    |

| Per Proposed Budget's Contribution:          | 2013      | 2014      | 2015      | 2016      | 2017      |
|--|-----------|-----------|-----------|-----------|-----------|
| Projected Year End Reserve Balance:          | \$285,004 | \$312,955 | \$345,664 | \$356,071 | \$365,611 |
| Projected Fully Funded Balances at Year End: | \$285,004 | \$290,107 | \$312,683 | \$332,874 | \$355,317 |
| Projected Percent Funded:                    | 100.00%   | 107.88%   | 110.55%   | 106.97%   | 102.90%   |