

West Loch Fairways

September 2014

Dear West Loch Fairways Homeowners,

The Board of Directors of West Loch Fairways Homeowners Association has approved the 2015 budget with a **\$3.00 increase** in Association dues.

The budget includes expenses for day-to-day operations, as well as transfer to reserves or funds that the Association uses for major expenses. A copy of the 2015 operating budget is enclosed for your reference as well as an updated reserve study prepared by Hawaii First Inc., our Managing Agent. Effective **January 1, 2015**, the Association dues will be as follows:

<u>Type of Unit</u>	<u>2014 Association Dues</u>	<u>2015 Association Dues</u>
All	\$62.00	\$65.00

As a reminder, payments are due on the first of each month. A late fee of \$20.00 will be assessed to a delinquent account after the grace period.

The Board has adopted the following priority of payment application for the Association: (1) Legal Fees (2) Late Fees (3) Fines (4) Association dues.

If you prefer to change your method to the Surepay Electronic Bill Payment plan, please complete the enclosed form and return it to Hawaii First Inc., Attention: Accounting Department. You need to complete this form if you are a first time subscriber through Hawaii First Inc. Requests received by the 25th of each month will begin payments the following month. Please allow 10 days for processing.

Should you have any questions, please contact our Community Association Manager at Hawaii First Inc., Lynn Uyenco, (808) 531-5566 ext 3006.

Sincerely yours,

The Board of Directors
West Loch Fairways Homeowners Association

WEST LOCH FAIRWAYS HOMEOWNERS ASSOCIATION
2015 BUDGET

	2014 MONTHLY BUDGET	2015 MONTHLY BUDGET
Operation		
Income		
01 Operating Revenues		
40100 Community Association Dues	40650	41062
40112 Reserves Contribution	3990	5740
Total 01 Operating Revenues	44640	46802
Total Income	44640	46802
Expense		
01 - Payroll & Benefits		
70010 Wages-Manager	4325	4542
70060 Payroll Tax FICA	360	360
70070 Payroll Tax FUTA	15	10
70080 Payroll Tax SUTA	90	30
70090 Workers' Comp Insurance	45	45
70100 TDI Insurance	35	35
70120 Mileage Reimbursement	135	120
Total 01 - Payroll & Benefits	5005	5142
02 - Administrative		
70300 Admin-General Expenses & Supplies	560	560
70310 Admin-Annual Meeting	47	47
70342 Admin-Newsletter	300	300
70800 Property Mgmt-Contract	3099	3161
70810 Property Mgmt-Admin Svcs & Costs	2800	2800
70830 Property Mgmt-Payroll	152	152
70900 Legal Fees-General	800	800
71150 Accounting Fees-Audit/Tax	112	112
Total 02 - Administrative	7870	7932
03 - Utilities		
71200 Electricity-Common Areas	2835	2835
71500 Telephone	198	198
Total 03 - Utilities	3033	3033
04 - Contract Services		
71810 Landscape Maintenance Contract	19632	19749
71820 Security Alarm/Camera Maint Contrt	265	265
71860 Tree Trimming	0	0
Total 04 - Contract Services	19897	20014
05 - Repairs and Maintenance		
72125 Reprs/Maint/Water Feature	400	400
72175 Reprs/Maint/Supl-Electrical	660	660
72190 Reprs/Maint/Supl-Irrigation	455	500
72220 Reprs/Maint/Supl-Grounds	500	500
Total 05 - Repairs and Maintenance	2015	2060
06 - Insurance, Taxes & Misc.		
72300 Real Property Tax	1300	1300
72500 Taxes-General Excise	210	230
72700 Insurance-Package	0	21
72720 Insurance-D&O	820	820

72730	Insurance-General Liability	190	190
72740	Insurance-Umbrella	310	320
Total 06 - Insurance, Taxes & Misc.		2830	2881
Total Operating Expenses		40650	41062
07 - Non-Operating Expenses			
76080	Allowance-Future Capital Reserve	3990	5740
Total 07 - Non-Operating Expenses		3990	5740
Total Expense		44640	46802
Net Income			

2015 TOTAL FEES

TOTAL # OF HOMES	Community Association Dues	Reserve Contribution	2015 TOTAL FEES PER OWNER	Prior Year
720	57.03	7.97	65	62



**West Loch Fairways
2015 Reserve Study**

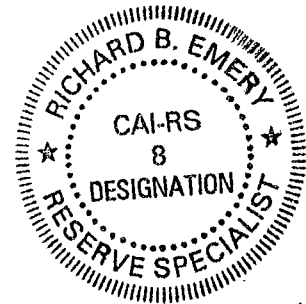
**Hawaii First Inc.
800 Bethel Street #501
Honolulu, Hawaii 96813**

Prepared by:

Lynn Uyenco
Lynn Uyenco

Reviewed and Approved by:

Richard Emery
Richard Emery, RS-8, PRA
Reserve Specialist
Professional Reserve Analyst



West Loch Fairways 2015 Analysis Report

A Reserve Study was prepared using the cash flow method of analysis for West Loch Fairways. This Reserve Study has been prepared for the fiscal year ending December 31, 2015. It is estimated that the reserve fund for the 2014 year-end at approximately \$389,800.00. The association will collect \$68,880.00 in contributions to the reserve fund in 2015. Interest earned on reserve contributions must remain in the reserve accounts to meet future funding requirements. This funding plan provides for fully funded reserve fund balances and complies with HRS 514B-148. The Reserve Study was approved by the association's Board of Directors as part of the 2015 budget.

It is important to recognize that a reserve study is a financial forecast of future funds required to maintain the capital components of the project. Hawaii law requires directors of the association to use reasonable efforts to project inflation, interest income, component inventory, component life & remaining life, and replacement costs of the project's components for a 20-year period. From this information, reserve contributions are calculated to fund the statutory replacement reserves. By its nature, a Reserve Study is an estimate to be used for annual budgeting purposes. The Reserve Study is a requirement of HRS 514A-83.6 and HRS 514B-148. The reserve study is not an audit or quality inspection of the project.

Based on this Reserve Study, West Loch Fairways has adopted a funding plan based on the cash flow method that provides full funding. The Reserve Study reflects that the Association is fully funded and has complied with the reserve requirements of HRS 514B-148; provided however, the association implements the funding plan and the criteria used reflects the project's actual operating experience during the life of the funding plan. The Reserve Study Specialist has no conflict of interest with the association, its Directors, its employee, and has prepared this report as an independent Reserve Study Professional.

Richard Emery, RS, PRA
Reserve Specialist
Professional Reserve Analyst

West Loch Fairways 2015
Ewa Beach, HI
RA Current Assessment Funding Model Summary

Report Date	January 01, 2015
Budget Year Beginning	January 01, 2015
Budget Year Ending	December 31, 2015
Total Units	720

<i>Report Parameters</i>	
Inflation	1.50%
Annual Assessment Increase	0.00%
Interest Rate on Reserve Deposit	2.00%
2015 Beginning Balance	\$389,800.00

Current Assessment Funding Model Summary of Calculations

Required Annually Contribution	\$68,880.00
<i>\$95.67 per unit annually</i>	
Average Net Annually Interest Earned	<u>\$8,573.60</u>
Total Annually Allocation to Reserves	\$77,453.60
<i>\$107.57 per unit annually</i>	

West Loch Fairways 2015
RA Math View - Current Assessment Funding Model - Projection

Beginning Balance: \$389,800

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves
2015	502,100	68,880	8,574	30,000	437,254
2016	509,631	68,880	8,763	68,005	446,891
2017	517,276	68,880	9,182	56,662	468,291
2018	525,035	68,880	10,430	15,685	531,916
2019	532,911	68,880	10,594	71,111	540,278
2020	540,904	68,880	11,106	53,864	566,400
2021	549,018	68,880	12,378	16,402	631,255
2022	557,253	68,880	11,295	135,401	576,029
2023	565,612	68,880	9,181	185,871	468,219
2024	574,096	68,880	9,484	62,886	483,696
2025	582,708	68,880	10,657	19,729	543,504
2026	591,448	68,880	11,188	53,008	570,564
2027	600,320	68,880	11,471	65,879	585,037
2028	609,325	68,880	12,666	20,630	645,952
2029	618,465	68,880	13,434	43,111	685,155
2030	627,742	68,880	12,205	143,777	622,463
2031	637,158	68,880	13,395	21,573	683,166
2032	646,715	68,880	12,207	141,682	622,571
2033	656,416	68,880	12,652	58,830	645,273
2034	666,262	68,880	12,770	75,636	651,287

West Loch Fairways 2015
RA Math View - Current Assessment Funding Model - Expenditure

Description	Expenditures
Replacement Year 2015	
Irrigation Major Repairs	15,000
Guard Shack Renovation	15,000
Total for 2015	<u>\$30,000</u>
Replacement Year 2016	
Irrigation Major Repairs	15,225
Office Equipment	2,030
Water Feature - Major Repairs	50,750
Total for 2016	<u>\$68,005</u>
Replacement Year 2017	
Irrigation Major Repairs	15,453
Visitor Parking - Seal	10,302
Irrigation Controller Boxes	30,907
Total for 2017	<u>\$56,662</u>
Replacement Year 2018	
Irrigation Major Repairs	15,685
Total for 2018	<u>\$15,685</u>
Replacement Year 2019	
Irrigation Major Repairs	15,920
Office Equipment	2,123
Sidewalk Repairs	21,227
Water Feature - Mechanical Pumps	31,841
Total for 2019	<u>\$71,111</u>
Replacement Year 2020	
Irrigation Major Repairs	16,159
Security Cameras	37,705
Total for 2020	<u>\$53,864</u>
Replacement Year 2021	
Irrigation Major Repairs	16,402
Total for 2021	<u>\$16,402</u>
Replacement Year 2022	
Irrigation Major Repairs	16,648
Office Equipment	2,220

West Loch Fairways 2015
RA Math View - Current Assessment Funding Model - Expenditure

Description	Expenditures
Replacement Year 2022 continued...	
Visitor Parking - Seal	11,098
Water Feature - Lighting	5,549
Light Standards - Replacement Phase 1	99,886
Total for 2022	\$135,401
Replacement Year 2023	
Irrigation Major Repairs	16,897
Water Feature - Major Repairs	56,325
Light Standards - Replacement Phase 2	112,649
Total for 2023	\$185,871
Replacement Year 2024	
Irrigation Major Repairs	17,151
Sidewalk Repairs	22,868
Walls - Moss Rock	22,868
Total for 2024	\$62,886
Replacement Year 2025	
Irrigation Major Repairs	17,408
Office Equipment	2,321
Total for 2025	\$19,729
Replacement Year 2026	
Irrigation Major Repairs	17,669
Water Feature - Mechanical Pumps	35,338
Total for 2026	\$53,008
Replacement Year 2027	
Irrigation Major Repairs	17,934
Visitor Parking - Seal	11,956
Electrical Boxes	35,988
Total for 2027	\$65,879
Replacement Year 2028	
Irrigation Major Repairs	18,203
Office Equipment	2,427
Total for 2028	\$20,630
Replacement Year 2029	
Irrigation Major Repairs	18,476

West Loch Fairways 2015
RA Math View - Current Assessment Funding Model - Expenditure

Description	Expenditures
Replacement Year 2029 continued...	
Sidewalk Repairs	24,635
Total for 2029	<u>\$43,111</u>
Replacement Year 2030	
Irrigation Major Repairs	18,753
Water Feature - Major Repairs	62,512
Security Cameras	43,758
Guard Shack Renovation	18,753
Total for 2030	<u>\$143,777</u>
Replacement Year 2031	
Irrigation Major Repairs	19,035
Office Equipment	2,538
Total for 2031	<u>\$21,573</u>
Replacement Year 2032	
Irrigation Major Repairs	19,320
Visitor Parking - Seal	12,880
Water Feature - Lighting	6,440
Irrigation Controller Boxes	38,641
Visitor Parking - Overlay	64,401
Total for 2032	<u>\$141,682</u>
Replacement Year 2033	
Irrigation Major Repairs	19,610
Water Feature - Mechanical Pumps	39,220
Total for 2033	<u>\$58,830</u>
Replacement Year 2034	
Irrigation Major Repairs	19,904
Office Equipment	2,654
Sidewalk Repairs	26,539
Walls - Moss Rock	26,539
Total for 2034	<u>\$75,636</u>