



THE FAIRWAYS HOMEOWNERS ASSOCIATION

ANNUAL HOA MEETING AGENDA

December 29, 2023
Fairways Clubhouse
4:00 PM MST

1. WELCOME AND CALL TO ORDER: Walt Jones
2. 2023 FINANCIAL REPORT: Sue Suman
3. AMENDMENT TO CC&Rs - TRANSFER and ADMINISTRATIVE FEE: Walt Jones
4. 2024-2026 THREE YEAR PLAN: Sue Suman
5. 2024 BUDGET APPROVAL: Sue Suman
6. FACILITIES REPORT: Zig Baier
7. LANDSCAPING REPORT: Gary Costantino
8. BOARD OF TRUSTEES VOTE: Walt Jones
9. NEW BUSINESS: Walt Jones
10. ADJOURN: Walt Jones

The Fairways Homeowner's Association

2023 Treasurer's Report

Summary

The HOA's financial position remains strong. We anticipate finishing the year with \$117,420 in our Asset Replacement Reserve and approximately \$76,628 in operating cash. At year-end, investment of the Asset Replacement Reserve is as follows: \$61,850 in an 11 month CD at 5% interest maturing 11/2024, \$41,500 in a 13 month CD at 3.75% interest maturing 1/2024 and \$25,000 in an interest bearing savings account.

The 2023 budget projected a balanced budget. The year-end forecast is a surplus of approximately \$1,653. This is a favorable variance to budget of \$1,653.

Asset Replacement Reserve

The Utah statute for community associations mandates that HOAs maintain a reserve fund to replace assets as they wear out. Building a replacement reserve throughout the useful life of each asset helps avoid large special assessments in the year that an asset needs to be replaced. In 2023, the HOA allocated \$15,000 of our assessments towards the Asset Replacement Reserve. We spent \$7,680 from the Asset Replacement Reserve in 2023 to stain the clubhouse resulting in a year-end Asset Reserve balance of \$117,420. Attached is the Asset Replacement Reserve document for 2024.

2023 Budget Results

The 2023 budget projected a balanced budget on total expenditures of \$137,160. With most of the expenditures recognized for the year, we anticipate a surplus of approximately \$1,653.

There were both favorable and unfavorable variances in several major budget categories. Below is a summary of major variances.

Revenue

2023 revenues are projected to be ahead of budget by \$4,437. Homeowner assessments were on budget. The favorable variance was primarily a result of interest income along with clubhouse rentals and late fees.

Administrative Costs

The HOA is projected to have a favorable variance in Administrative costs this year largely because we did not incur any Legal fees. Forecasted year-end expenses of \$2,559 on a \$3,052 budget will result in a \$493 favorable variance for the Administrative budget.

Common Area and Maintenance (Landscaping)

Common Area Maintenance, budgeted at \$94,033, is the largest expense category accounting for over 69% of our budgeted expenditures. We project to end the year with an unfavorable variance of \$4,085 in common area maintenance. The unfavorable variance is primarily a result of expenditures for snow removal \$2,840 greater than budget and mow and trim contract expenses \$1,726 greater than budget. Mowing, trimming, fertilization and basic maintenance are included under a fixed bid. All other services are billed extra based on estimates provided. Additional landscaping services included lawn aeration, extra fall fertilization, path rejuvenation and tree trimming less cost savings from fewer weekly mows in the spring. The 2023 expenditures for our irrigation specialist (parts and labor) were \$9,525, below budget by \$375. Irrigation water expenses were \$2,368 on a \$2,000 irrigation water budget. Irrigation water expense was less than anticipated in the spring/early summer months and slightly greater than anticipated in July and August.

The mulch project (back and side yards) was completed in 2023 with the support of community volunteers and contract labor.

Pool, Spa and Clubhouse Operations

Pool, Spa and Clubhouse expenses for 2023 are estimated at \$37,325 on a \$37,525 budget, resulting in a \$200 favorable variance. Expenditures for maintenance expense equipment are expected to be \$3,091 less than budget offset by an increase in monthly rates for pool and spa service of \$1,666 and utilities of \$1,903. Again, volunteer efforts by homeowners, including board members contributed to cost effective installation of new/replacement equipment.

Insurance

We budgeted \$1,800 for liability insurance in 2023. The actual expenditure was \$1,942, resulting in a slight unfavorable variance.

Social Events

We budgeted \$750 for social events for 2023. There were not any expenditures for social events resulting in a \$750 favorable variance.

Year-end Results

Despite cost increases for snow removal, landscaping, utilities and contract services, the HOA is projected to end the year with a favorable variance to budget of \$1,652. Interest income from CD investments, late fees and clubhouse rentals helped to offset increases in expenses. Volunteer services by homeowners and board members had a significant positive effect on our year-end financial position.

FAIRWAYS HOA
2023 Year End Forecast vs Budget
January - December 2023

	Forecast	Total Budget	over Budget	Notes
Revenue				
Interest Income	3,412.32	60.00	3,352.32	Interest - CDs
Clubhouse Rental	450	-	450	
Homeowners Assessments	152,287.23	-	15,187.23	
Transfers to Asset Replacement Reserve	-15,000.00	-	-15,000.00	
Total Homeowners Assessments	\$ 137,287.23	\$ 137,100.00	\$ 187.23	
Late Fee	397.46		397.46	
Other Miscellaneous Revenue	50		50	
Total Revenue	\$ 141,597.01	\$ 137,160.00	\$ 4,437.01	
Gross Profit	\$ 141,597.01	\$ 137,160.00	\$ 4,437.01	
Expenditures				
Insurance	1,942.00	1,800.00	142.00	
Administrative Costs				
Licenses and Permits	10.00	20.00	(10.00)	
Miscellaneous	83.17		83.17	
Legal Fees		500.00	(500.00)	
HOA Software	2,465.43	2,532.00	(66.57)	
Total Administrative Costs	\$ 2,558.60	\$ 3,052.00	\$ (493.40)	
Common Area Maintenance				
Electricity - Lighting & Timers	154.58	256.00	(101.42)	
Holiday Lights	550.00	660.00	(110.00)	
Irrigation System Maintenance				
Irrigation System Labor	7,150.00	7,000.00	150.00	
Irrigation System Parts	2,375.00	2,900.00	(525.00)	
Total Irrigation System Maintenance	\$ 9,525.00	\$ 9,900.00	\$ (375.00)	
Irrigation Water	2,368.43	2,000.00	368.43	Watered 4x per week July/August
Landscape Maintenance - Extras	8,804.47	9,449.00	(644.53)	
Landscape Maintenance - Mow & Trim	61,744.02	60,018.00	1,726.02	
Landscape Maintenance - Mulch	10,041.50	10,000.00	41.50	
Non recurring Maintenance	340.00		340.00	
Snow Removal	4,590.00	1,750.00	2,840.00	Record snowfall!
Total Common Area Maintenance	\$ 98,118.00	\$ 94,033.00	\$ 4,085.00	
Pool, Spa and Clubhouse				
Janitorial and Cleaning Service	4,940.00	4,845.00	95.00	
Maintenance & Supplies	3,285.30	4,000.00	(714.70)	
Maintenance Expense Equipment	2,908.55	6,000.00	(3,091.45)	
Permit Fee & Testing	1,440.00	1,100.00	340.00	
Pool & Spa Service	10,366.56	9,200.00	1,166.56	
Security	1,518.56	1,440.00	78.56	
TV/Cable Subscription	1,463.95	1,440.00	23.95	
Utilities	11,402.68	9,500.00	1,902.68	Gas and electric rate increases
Total Pool, Spa and Clubhouse	\$ 37,325.60	\$ 37,525.00	\$ (199.40)	
Social Events		\$ 750.00	(750.00)	
Total Expenditures	\$ 139,944.20	\$ 137,160.00	\$ 2,784.20	
Net Operating Revenue	\$ 1,652.81	\$ -	\$ 1,652.81	
Net Revenue	\$ 1,652.81	\$ -	\$ 1,652.81	

Supplemental Information:

Transfers from Asset Replacement Reserve 7,680.00 Clubhouse staining

FAIRWAYS HOA

Statement of Financial Position - Year End Forecast

As of December 31, 2023

	As of Dec 31, 2023	Total As of Dec 31, 2022 (PP)	Change
ASSETS			
Current Assets			
Bank Accounts			
CIT Operating Account	58,888.57	67,755.71	-8,867.14
Wells Fargo - 13 month CD (1/13/24 maturity)	41,503.11	40,000.00	1,503.11
Wells Fargo - 11 month CD (11/13/24 maturity)	61,842.87	35,000.00	26,842.87
Wells Fargo - Asset Reserve Savings	25,164.98	35,120.47	-9,955.49
Wells Fargo - Eden Checking	6,648.91	4,596.93	2,051.98
Total Bank Accounts	\$ 194,048.44	\$ 182,473.11	\$ 11,575.33
Accounts Receivable			
Accounts Receivable	2,695.00	1,364.00	1,331.00
Total Accounts Receivable	\$ 2,695.00	\$ 1,364.00	\$ 1,331.00
Total Current Assets	\$ 196,743.44	\$ 183,837.11	\$ 12,906.33
TOTAL ASSETS	\$ 196,743.44	\$ 183,837.11	\$ 12,906.33
LIABILITIES AND EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
2000 Accounts Payable	1,555.00	954.85	600.15
Total Accounts Payable	\$ 1,555.00	\$ 954.85	\$ 600.15
Other Current Liabilities			
Prepaid HOA Fees	15,516.84	12,183.47	3,333.37
Total Other Current Liabilities	\$ 15,516.84	\$ 12,183.47	\$ 3,333.37
Total Current Liabilities	\$ 17,071.84	\$ 13,138.32	\$ 3,933.52
Total Liabilities	\$ 17,071.84	\$ 13,138.32	\$ 3,933.52
Equity			
3000 Opening Bal Equity	0.00	0.00	0.00
32000 Retained Surplus	60,599.19	60,599.19	0.00
Reserve for Asset Replacement	117,419.60	110,099.60	7,320.00
Net Revenue	1,652.81		1,652.81
Total Equity	\$ 179,671.60	\$ 170,698.79	\$ 8,972.81
TOTAL LIABILITIES AND EQUITY	\$ 196,743.44	\$ 183,837.11	\$ 12,906.33

\$ -

The Fairways at Wolf Creek HOA

Case for the Fifth Amendment of the CC&Rs to Impose a Reinvestment Fee on Purchases of the Fairways at Wolf Creek Property (See Attachment A: Articles 7.12, 7.17, 7.18)

Utah law allows an HOA to charge both an administrative fee and a reinvestment fee (euphemistically both fees are often called “transfer fees”) on the sale of a lot or residence. The administrative fee covers the HOA’s issuance of a letter certifying the status of HOA assessments on the seller’s property. The reinvestment fee is intended to provide additional funding for common expenses, which reduces pressure on the HOA’s annual dues. Under Utah law, an HOA may impose a reinvestment fee up to a maximum of 0.5% of the property’s purchase price. For example, on a \$1 million house sale, the law allows a maximum reinvestment fee of \$5,000. Utah law imposes a reinvestment fee only to bona fide property sales and exempts certain intra-family sales, inheritance transfers, involuntary transfers and other transfers.

The Fairways does not currently charge a reinvestment fee on lot sales or an administrative fee for its assessment certification letter.

The Board proposes charging an **administrative fee of \$50** for a certification letter. It also proposes charging a purchaser a **reinvestment fee equal to “the lesser of \$1,000 or 0.5% of the purchase price”** due on closing. On a house purchase of \$200,000 or more, the reinvestment fee would be \$1,000.

The Board believes a reinvestment fee covenant could generate between \$2,000 and \$5,000 of additional annual revenue, depending on the number of property purchases each year. In 2022, 6 lots were sold; in 2023, 6 lots were sold.

A reinvestment fee providing an additional source of funding to cover common expenses would particularly benefit the Fairways. The Fairways has only 59 members over which to spread expenses. In contrast, the Highlands has 138 members; Trappers Ridge has 130 members. In 2023, the Fairways annual dues were \$2,600 to cover budgeted expenses of \$137,160. To stay within budget without increasing assessments, the Board often uses volunteers, reins in or defers projects. The reinvestment fee would be a welcome supplemental source of revenue.

Attachment B is a short law firm article on the reinvestment fee concept. We understand that Powder Mountain Village and the Retreat already have incorporated reinvestment fee covenants into their CCRs. The Retreat’s reinvestment fees are capped at \$5,000 while Powder Mountain Village fees are expressed solely as a percentage of purchase price without any dollar cap as proposed by the Fairways HOA Board.

This information is presented for information and discussion. The proposed Fifth Amendment to the Fairways at Wolf Creek CC&Rs and ballot will be sent via US mail to each homeowner’s address on file on January 10, 2024. Ballots should be returned to the Fairways at Wolf Creek HOA secretary via US Mail: 4300 Sunrise Drive, Eden, UT 84310 or email: edenfairways@gmail.com no later than January 31, 2024. Approval of the amendment requires approval of 67% of the members.

ATTACHMENT A

Proposed Fifth Amendment to The Fairways at Wolf Creek CC&Rs to establish Transfer Fees

ARTICLE VII

ASSESSMENTS & TRANSFER FEES

7.12 Certification of Payment of Assessments. Upon payment of a ~~reasonable fee~~ **processing fee not to exceed \$50** and upon request of any Owner or any Mortgagee, prospective Mortgagee, or prospective purchaser of a Lot, the Association shall issue a written statement setting forth the amount of unpaid assessments, if any, with respect to such Lot ...

7.17 Purpose of Assessments. Any and all Assessments provided for under this Declaration shall be used for the general purpose of operating the Project, promoting the recreation, health, safety, welfare, common benefit and enjoyment of the Owners, including the maintenance of any real and personal property owned by the Association, paying expenses that may be incurred by the Board and/or Architectural Committee in the performance of their obligations, enforcing of the Governing Documents, and regulating the Project, all as may be more specifically authorized from time to time by the Board.

7.18 Transfer Fees Due on Sale of Lot. In connection with the sale of a Lot, an Owner shall obtain a Statement of Assessments Due from, and pay the Administrative Fee due to, the Association pursuant to Subsection 7.12. Pursuant to Utah Code Section 57-1-46, the purchaser of the Lot shall remit to the Association upon closing such purchase a Reinvestment Fee equal to the lesser of **\$1,000** or 0.5% of the purchase price. The Association shall use the Reinvestment Fee for the purposes stated in Subsection 7.17. A Reinvestment Fee shall not apply to a bona fide transfer to a family member, transfer due to death, and other exempted transfers as described in Utah Code Section 57-1-46(8).



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News

Reinvestment Fees Offset HOA Turnover Costs, Contribute to Reserves

October 5, 2018 | By: Scott Welker

Many Utah families have utilized their increased equity from the strong buyer's market and healthy economy to upscale or downscale their housing situation. All of this movement in the housing industry is expensive for nonprofit homeowners' associations and requires adequate budgeting and preparation for current and future market fluctuations.

According to the U.S. Census Bureau, more than 14 percent of the population moves each year for various reasons, so an HOA comprised of 150 units can generally expect an annual turnover of 21 units. However, HOAs should plan for additional movement in coming years, as many local economists are concerned that Utah is experiencing a housing bubble. However, you can help to stabilize your member retention by making only a few changes.

Reinvestment fees taken at closings can help with HOA member retention, and I'll explain why. New homeowners have made a large investment in their new home, the largest they may ever make in their lives. Their budgets will be tight for the first few years until they can refinance their home loan. They have budgeted for your monthly or quarterly HOA fee, but they likely do not have room for any fee increases.

Regular HOA fees are the lifeblood of an association, so when overhead costs increase or there are expenses not budgeted for, an HOA can utilize its savings in the short term. Reinvestment fees, however, can replenish your savings for a longer period and thus delay your need to increase your member's HOA fees. Keeping your community affordable to its members is critical to its success.

The Utah Code permits the use of reinvestment fees for administrative costs associated with turnovers, as well as regular expenses for maintenance of the legal common areas within your HOA, including infrastructure, parks, or open space. Be aware that proceeds from reinvestment fees must benefit the association and not the developer or another third party. The law was changed in 2010 in this regard, and what used to be referred to as "transfer fees" are now called reinvestment fees.

A reinvestment fee provision, including the amount to be charged and the appropriation of those fees, must be approved by HOA board members and included in the organizational documents. It must also be filed on county records as a "Notice of Reinvestment Fee Covenant." In Utah, HOAs are permitted to charge no more than 0.5% of the purchase price of the individual unit sold, but those proceeds can add up quickly.

HOAs should consider the fee amount wisely, as the charge often cuts into a buyer's purchasing power. Many buyers will embed the reinvestment fee into the principal of their home loan to make it more affordable. Another option buyers may consider is paying for the fees with a separate signature loan. Utah Code permits this as long as any collateral used for the loan is released when the loan has been repaid.

An HOA should inform a buyer or their realtor of the reinvestment fee, as well as regular monthly or quarterly assessments, when a bid is accepted and a unit goes under contract. That way a buyer can evaluate their budget prior to closing and determine if the fees, in addition to their mortgage and other household expenses, will still be affordable.

Reinvestment fees are an additional tool that HOAs can use to pay for community expenses that are often affordable and not too cumbersome for its members. They can work as a buffer when HOA costs increase over time and help to delay the need for increasing regular monthly or quarterly assessments. It is never ideal when members of your community get behind in paying their assessments, and the addition of reinvestment fees in your HOA's organizational documents is in everyone's best interest. Vial Fotheringham, LLC, provides collections and other legal services for homeowners' associations. Contact me today for legal advice or HOA collections services.

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Colorado

Fairways at Wolf Creek Homeowners Association Three-Year Plan 2024-2026

Mission Statement: Commitment to the Fairways at Wolf Creek community through excellent customer service, efficiency, fiscal responsibility and preservation of assets.

Three-Year Goals:

1. The Fairways at Wolf Creek will maintain its facilities and equipment for the long-term enjoyment and safety of its members.
2. The Fairways at Wolf Creek will maintain its outdoor common areas in an environmentally responsible manner for the long-term enjoyment and safety of its members.
3. The Fairways at Wolf Creek will operate in a fiscally responsible manner with respect to its annual operating budget and long-term preservation of assets.

Year 1 – 2024 Objectives	Funding Source
1. Facilities	
Replace pool furniture (chairs)	Asset Reserve
Reline pickle ball courts	Operations
Install a railing on the culvert over Wolf Creek on the southeast side of Sunrise Drive	Operations
Explore a contract service for the maintenance of fitness equipment (treadmill, bike, elliptical)	Operations
Address curb repairs and road resurfacing needs with Weber County	NA
2. Landscaping	
Explore contract services for the tree trimming and removal of dead trees	Operations
Implement a program for the annual replacement of trees that have been removed	Operations
Enhance landscape contract services to include weed control and care of xeriscape lots and common areas	Operations
3. Finance	
Establish a \$1,000 reinvestment fee on home sales and \$50 administrative fee for certification letters	Operations
Project Homeowner dues requirements based on cost of living and 3 year plan objectives	Operations
Assess the adequacy of the Asset Replacement Reserve and develop a funding plan as needed	Operations
Conduct an insurance vulnerabilities assessment	Operations

Year 2 – 2025 Objectives	Funding Source
1. Facilities	
Resurface pool and decking	Asset Reserve
Replace cracked concrete sidewalk sections around clubhouse	Asset Reserve
Install a railing on the culvert over Wolf Creek on the east side of Sunrise Drive	Operations
2. Landscaping	
Implement contract services for tree trimming and removal of dead trees	Operations
Assess the current irrigation system to identify upgrades and replacements for more efficient water usage	Operations
Remove grass strips; replace sprinklers with drips and xeriscape interior common areas along the west side of Sunrise Drive	Operations
3. Finance	
Research options for replacement of current HOA software	Operations
Implement a plan to adequately fund the Asset Replacement Reserve	Operations
Implement Insurance Policy changes as determined by the insurance vulnerabilities assessment	Operations

Year 3 – 2026 Objectives	Funding Source
1. Facilities	
Upgrade pool pump room equipment	Asset Reserve
Replace fitness equipment (treadmill, bike and elliptical) as needed	Asset Reserve
Install sound proofing panels in the clubhouse to reduce noise	Operations
Conduct a community security assessment	Operations
2. Landscaping	
Upgrade landscaping services to include more frequent shrub trimming and edging	Operations
3. Finance	
Implement new HOA software	Operations
Review the fee scale of fines for HOA rules violations	Operations

The Fairways Homeowner's Association

2024 Budget Report

Proposed 2024 Budget

The 2024 HOA operating budget is being presented at the December Homeowner's meeting for approval. The budget represents expenditures aligned with the Fairways at Wolf Creek Three Year Plan. The 2024 budget projects a balanced budget on total expenditures of \$147,800. Expenditures are projected to be \$7,855 greater than the 2023 estimated year-end expenses.

Revenue

Revenues for 2024 are budgeted at \$147,800. Homeowner assessments are budgeted at \$141,800. The budget is based on 59 units at an annual assessment of \$2,700 less a \$17,500 contribution to the Asset Replacement Reserve. The 2024 assessment represents a \$100 or 3.8% increase over 2023 and is the first assessment increase since 2018. Interest income is budgeted at \$6,000. Reserves will continue to be invested in Certificates of Deposit with an approximate APY of 5.0%.

Administrative Costs

Insurance is budgeted at \$2,136, a 10% increase over 2024. Other Administrative costs of \$3,203 include \$10 for permit fees, \$500 for legal fees and \$2,693 for HOA software. HOA software costs include EmpHOA, Quickbooks and Zoom subscriptions. The 2024 budget for Administrative Costs and Insurance is \$644 greater than the 2023 forecast.

Common Area and Maintenance (Landscaping)

Common Area Maintenance, budgeted at \$99,289, is the largest expense category accounting for over 67% of our budgeted expenditures. The budget includes \$154 for lighting, \$550 for holiday lights, \$10,500 for irrigation system maintenance, \$2,500 for irrigation water, \$16,000 for landscape maintenance extras and \$64,995 for contracted landscape maintenance.

The irrigation system maintenance budget includes parts and labor and is budgeted at a \$975 or a 10% increase over 2023. The landscape maintenance extras budget includes tree trimming and the tree replacement program. The 2024 tree replacement program is budgeted at \$4,000. The 2024 budget anticipates that the HOA will engage a tree trimming service in 2024 for maintenance of the maturing trees in our community. The 2024 budget for tree trimming and removal is \$3,000 greater than the 2023 costs. The 2024 Landscape maintenance – mow and trim budget is \$64,995. Mowing, trimming, fertilization and basic maintenance items including lawn aeration, path rejuvenation, spring and fall shrub trimming and spring and fall cleanup are included under a fixed bid. The Landscape maintenance – mow and trim budget is \$3,251 or 5.3% greater than 2023.

Pool, Spa and Clubhouse Operations

Pool, Spa and Clubhouse expenses for 2024 are budgeted at \$42,422. The budget includes expenditures for clubhouse cleaning and janitorial of \$4,940, maintenance supplies (including pool chemicals) of \$3,285, maintenance expense equipment of \$6,740, pool permit and testing fees of \$1,180, pool and spa service of \$10,750, security of \$1,494, TV/Cable subscription of \$1,471 and utilities of \$12,562.

The maintenance expense equipment budget is \$3,831 greater than the 2023 estimate. The budget includes \$3,000 to add a railing on the culvert at the southeast corner of the community

and a \$1,000 expense for relining the pickle ball court lines. The pool and spa service budget is \$383 or 3.7% greater than the 2023 forecast. The utilities budget is \$1,159 or 10% greater than the 2023 estimate.

Social Events

Social events are budgeted at \$750.

Year-end Results

The year-end budget of \$147,800 of revenue and \$147,800 of expenditures is a balanced budget.

Asset Replacement Reserve

In 2024, the HOA has allocated \$17,500 of our assessments towards the Asset Replacement Reserve. The resulting year-end Asset Reserve balance is projected at of \$134,923. Attached is the Asset Replacement Reserve document for 2024.

FAIRWAYS HOA

2024 Budget vs 2023 Projected Actuals

January - December

	2024 Budget	2023 Projected Actuals	Variance	Notes
Revenue				
Interest Income	6,000.00	3,412.32	2,587.68	Wells Fargo CDs
Clubhouse rental	-	450.00	(450.00)	
Homeowners Assessments	159,300.00	152,287.23	7,012.77	Increase dues \$100/yr = \$2700 x 59 units
Transfers to Asset Replacement Reserve	(17,500.00)	(15,000.00)	(2,500.00)	Increase transfer to reserve
Total Homeowners Assessments	\$ 141,800.00	\$ 137,287.23	\$ 4,512.77	
Late Fees	-	397.46	(397.46)	
Other Miscellaneous revenue	-	50.00	(50.00)	
Total Revenue	\$ 147,800.00	\$ 141,597.01	\$ 6,202.99	
Gross Profit	\$ 147,800.00	\$ 141,597.01	\$ 6,202.99	
Expenditures				
Insurance	2,136.00	1,942.00	(194.00)	10% increase
Administrative Costs				
Licenses and Permits	10.00	10.00	-	
Miscellaneous	-	83.17	83.17	
Legal Fees	500.00	-	(500.00)	
HOA Software	2,692.76	2,465.43	(227.33)	EmpHOA, QB, Zoom
Total Administrative Costs	\$ 3,202.76	\$ 2,558.60	\$ (644.16)	
Common Area Maintenance				
Electricity - Lighting & Timers	154.42	154.58	0.16	
Holiday Lights	550.00	550.00	-	
Irrigation System Maintenance				
Irrigation System Labor	7,500.00	7,150.00	(350.00)	
Irrigation System Parts	3,000.00	2,375.00	(625.00)	
Total Irrigation System Maintenance	\$ 10,500.00	\$ 9,525.00	\$ (975.00)	
Irrigation Water	2,500.00	2,368.43	(131.57)	
Landscape Maintenance - Extras	16,000.00	8,804.47	(7,195.53)	\$4,000 tree replacement; \$3,000 additional contract tree trimming
Landscape Maintenance - Mow & Trim	64,995.00	61,744.02	(3,250.98)	2 less mows in 2023
Landscape Maintenance - Mulch	-	10,041.50	10,041.50	
Non recurring Maintenance	-	340.00	340.00	
Snow Removal	4,590.00	4,590.00	-	
Total Common Area Maintenance	\$ 99,289.42	\$ 98,118.00	\$ (1,171.42)	
Pool, Spa and Clubhouse				
Janitorial and Cleaning Service	4,940.00	4,940.00	-	
Maintenance & Supplies	3,285.00	3,285.30	0.30	
Maintenance Expense Equipment	6,740.00	2,908.55	(3,831.45)	\$3,000 railing; \$1,000 pickle ball lines
Permit Fee & Testing	1,180.00	1,440.00	260.00	
Pool & Spa Service	10,750.00	10,366.56	(383.44)	\$500/mo hot tub + \$1,000/mo summer pool + \$750 pool closing
Security	1,494.32	1,518.56	24.24	
TV/Cable Subscription	1,470.82	1,463.95	(6.87)	
Utilities	12,561.68	11,402.68	(1,159.00)	10% increase
Total Pool, Spa and Clubhouse	\$ 42,421.82	\$ 37,325.60	\$ (5,096.22)	
Social Events	750.00		(750.00)	
Total Expenditures	\$ 147,800.00	\$ 139,944.20	\$ (7,855.80)	
Net Operating Revenue	\$ -	\$ 1,652.81	\$ (1,652.81)	
Net Revenue	\$ -	\$ 1,652.81	\$ (1,652.81)	

Fairways HOA
Asset Replacement Reserve Analysis
2023 -2024

Asset	In Service Date	Useful Life	Expected Replacement Year	Replacement / Purchase Cost	Replacement Cost (3%/yr escalation)	Annual Reserve Requirement	Target Reserve Year End 2023	Annual Contribution 2024	Target Reserve Year End 2024	Notes
Club House										
Roof	2018	25	2043	\$ 25,000	\$ 52,344	\$ 2,094	\$ 9,188	\$ 2,094	\$ 11,281	
Security - Fence	2013	20	2033	\$ 15,000	\$ 27,092	\$ 1,355	\$ 2,746	\$ 1,355	\$ 4,100	
Security - Door & Gate Locks	2021	6	2027	\$ 6,100	\$ 7,284	\$ 1,214	\$ 2,231	\$ 1,214	\$ 3,445	2021 - Upgrade 4 door/gate locks
Exterior Paint/Stain	2023	6	2029	\$ 7,680	\$ 9,170	\$ 1,528	\$ 2,586	\$ 1,528	\$ 4,114	2023 - Exterior Paint & Stain
HVAC	2018	16	2034	\$ 10,000	\$ 16,047	\$ 1,003	\$ 4,128	\$ 1,003	\$ 5,131	
Exercise Equipment	2018	7	2025	\$ 15,000	\$ 18,448	\$ 2,635	\$ 7,635	\$ 2,635	\$ 10,271	
Clubhouse Furniture	2018	10	2028	\$ 10,000	\$ 13,439	\$ 1,344	\$ 6,344	\$ 1,344	\$ 7,688	
Interior Paint	2018	10	2028	\$ 6,000	\$ 8,063	\$ 806	\$ 3,806	\$ 806	\$ 4,613	
Mail Boxes	2013	15	2028	\$ 6,000	\$ 9,348	\$ 623	\$ 4,623	\$ 623	\$ 5,246	
Pool/Spa										
Pool Resurface	2013	9	2022	\$ 12,000	\$ 15,657	\$ 1,740	\$ 14,528	\$ 1,129	\$ 15,657	To be evaluated in 2024
Pool Deck Furniture	2013	6	2019	\$ 7,200	\$ 8,597	\$ 1,433	\$ 8,597	\$ -	\$ 8,597	Cushions replaced in 2017 - chairs to be replaced 2024
Spa resurface	2013	9	2022	\$ 6,500	\$ 8,481	\$ 942	\$ 7,442	\$ 942	\$ 8,385	To be evaluated in 2024
Swimming Pool Equipment	2013	10	2023	\$ 6,000	\$ 8,063	\$ 806	\$ 7,296	\$ 766	\$ 8,063	
Spa Equipment	2013	10	2023	\$ 5,000	\$ 6,720	\$ 672	\$ 6,122	\$ 598	\$ 6,720	
Pool Cover - Summer	2021	6	2027	\$ 5,000	\$ 5,970	\$ 995	\$ 2,985	\$ 995	\$ 3,980	Replaced in 2021
Pool Cover - Winter	2023	6	2029	\$ 5,000	\$ 5,970	\$ 995	\$ 1,990	\$ 95	\$ 2,085	Purchased in 2022-installed in2023
Concrete Decking	2013	5	2018	\$ 8,000	\$ 9,274	\$ 1,855	\$ 9,275	\$ -	\$ 9,275	To be evaluated in 2024
Common Area Landscaping										
Asphalt Pavement Surface	2020	6	2026	\$ 8,000	\$ 9,552	\$ 1,592	\$ 9,552	\$ -	\$ 9,552	Repaired cracks and resurfaced in 2020
Tennis Court										
Court Resurface	2018	10	2028	\$ 10,000	\$ 13,439	\$ 1,344	\$ 6,344	\$ 376	\$ 6,720	
Totals				\$ 163,480	\$ 239,523	\$ 24,977	\$ 117,419	\$ 17,504	\$ 134,923	

Notes:

- 1 The following items are included in the operating budget for partial replacement/maintenance annually:
 - Trees, shrubs, bark etc
 - Gravel trails
 - Irrigation system
 - Exterior lighting, street light lamps, etc
 - Security cameras
- 2 Assumption - The year in which it is replaced is counted as 1 year in its useful life.
- 3 Replacement of assets with a useful life of less than 5 years are included in operating budget
- 4 Replacement of assets with a replacement cost of less than \$5,000 are included in operating budget

THE FAIRWAYS HOMEOWNERS ASSOCIATION

2023 ELECTION BALLOT

This election is to choose FOUR (4) homeowner association members to serve a two-year term (January 1, 2024 through December 31, 2025) on the Fairways Board of Directors.

ONLY FOUR VOTES PER FAIRWAYS LOT PLEASE

HOMEOWNER'S NAME _____
Please Print

SIGNATURE _____

LOT # _____ ADDRESS _____

PLEASE CAST YOUR VOTE FOR FOUR (4) OF THE FOLLOWING NOMINEES BY PLACING A MARK BY THE CANDIDATE'S NAME BELOW.

CASTING MORE THAN FOUR (4) VOTES OVERALL WILL INVALIDATE YOUR BALLOT.

_____ **Zig Baier - Incumbent**

_____ **Sue Suman – Incumbent**

_____ **Michael Leija**

_____ **Elsa Svensson**

WRITE- IN VOTE: _____

Please return your completed ballot no later than 2:00 PM, December 29, 2023: