

**HAWAIIAN SHORES COMMUNITY ASSOCIATION**  
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## **TREASURER'S ANNUAL REPORT**

### **FISCAL YEAR 2016**

The Hawaiian Shores Community Association (HSCA) recently completed Fiscal Year 2016 – November 1, 2015 to October 31, 2016.

As a nonprofit 501c(4) organization, our homeowners association represents all properties in the Hawaiian Shores Recreational Estates subdivision. We primarily conduct business with a volunteer Board of Directors managing the association and staff members who take care of day-to-day operations. The Operational Fund pays for this day to day maintenance of our water system, parks, buildings and roads. We have infrastructure Reserve Funds for long term upgrades and improvements for our Water and Road networks, a Park Reserve Fund and an Emergency Reserve Fund for long term park facility improvements and emergency repairs.

Debt Service (USDA loans) for the Road paving project and the Water upgrade project are paid from these accounts as well as the Pool resurfacing project and an emergency well water pump replacement currently being replaced.

HSCA generates the majority of our revenue through annual assessments, water billing, cell tower and land Lease. This revenue is deposited into the operating fund with portions of the assessment revenue dedicated to Water, Parks, and Road reserve accounts. See attached 2017 Budget. Our financial activities and practices for the fiscal year 2016 were audited in November with a detailed financial report from independent audit firm Carbonaro CPAs & Management Group. Their report is available for the annual membership meeting the third Saturday of April.

The financial outlook of the association has benefited from revenues generated by the cell tower lease and the right of entry granted to King Kamehameha Schools/Bishop Estates and continued reduction of past due accounts. This financial status helped HSCA secure extra grant funds and USDA loan funds at a favorable low interest rate for our road paving project. The USDA worked closely with the Board to secure these low cost funds before rates increased in January.

The new fiscal year (2017) began on November 1, 2016 and brings with it the beginning of the construction period for our public drinking water system upgrades. Approximately 55% of the funding is in low interest loan and 45% in grant funds. The Road paving project is projected to start this year as a low interest loan was secured through the USDA.

I wish to thank all members for their timely payment of the annual assessments and monthly water bills which made it possible for us to provide the needed services of the association.

Lance Decker  
Treasurer

**HAWAIIAN SHORES COMMUNITY ASSOCIATION**  
**FY 2017 OPERATING FUND BUDGET**

APPROVED AT 10/18/2016 BOARD MEETING

RECEIPTS	FY 2017 BUDGET	FY2016 PROJ ACT	FY 2016 BUDGET
ASSESSMENTS (ASSUME 95% COLLECTION RATE ON 1294 LOTS)	\$ 440,000	\$ 442,535	\$ 440,000
WATER SERVICE CHARGES (BASED ON 460 CURR. ACCT. & AVG. USAGE)	\$ 240,000	\$ 236,935	\$ 230,000
NEW WATER SERVICE CONNECTIONS	\$ 5,000	\$ 4,000	\$ 2,000
OPERATING & RESERVE FUND INTEREST	\$ 4,100	\$ 4,145	\$ 3,900
ESCROW TRANSFER FEES	\$ 10,000	\$ 11,700	\$ 5,000
GUEST FEES	\$ 6,000	\$ 6,165	\$ 4,250
REIMBURSEABLE CHARGES	\$ 6,500	\$ 5,918	\$ 6,500
MISCELLANEOUS INCOME (CELL TOWER, KSBE ROE, ETC.)	\$ 24,000	\$ 24,206	\$ 22,400
TRANSFER IN FROM WATER INFRA. FUND FOR DEBT SERVICE	\$ 13,600	\$ -	\$ 29,775
TRANSFER IN FROM ROAD INFRA. FUND FOR DEBT SERVICE	\$ -	\$ -	\$ -
<b>TOTAL RECEIPTS</b>	<b>\$ 749,200</b>	<b>\$ 735,604</b>	<b>\$ 743,825</b>
<b>DISBURSEMENTS</b>			
SALARIES & WAGES GROSS (7.0 EMPLOYEES) PAYROLL THROUGH KILAKILA ADVANTAGE PLAN ALSO INCLUDES, PAYROLL EXPENSES, TDI WORKERS COMP. AND UNEMPLOYMENT	\$ 265,000	\$ 259,188	\$ 253,905
PREPAID HEALTHCARE (ASSUME 10% OR LESS INCREASE)	\$ 20,000	\$ 14,827	\$ 22,704
PENSION CONTRIBUTION	\$ 4,000	\$ 4,252	\$ 3,563
CONTRACT HIRE (TwinBros, temp hire, Will Kill - Ocean Park)	\$ 22,000	\$ 25,747	\$ 21,667
REPAIR AND MAINTENANCE	\$ 65,000	\$ 64,376	\$ 70,000
UTILITIES & DEBT SERVICE ON SOLAR POOL PROJECT	\$ 45,000	\$ 50,389	\$ 56,000
DEBT SERVICE ON USDA LOAN - WATER PROJ	\$ 65,964	\$ 43,976	\$ 58,666
DEBT SERVICE ON USDA LOAN - ROAD PROJ	\$ -	\$ -	\$ -
GE TAXES	\$ 1,000	\$ 981	\$ 1,000
PROPERTY TAXES	\$ 1,000	\$ 718	\$ 705
OFFICE EXPENSES	\$ 27,200	\$ 28,194	\$ 28,000
PROFESSIONAL FEES	\$ 20,000	\$ 20,749	\$ 16,500
MEETING/COMMITTEE EXPENSES	\$ 3,000	\$ 2,451	\$ 3,500
MEMBERSHIPS/TRAINING	\$ 5,000	\$ 3,335	\$ 5,500
INSURANCE	\$ 40,000	\$ 39,684	\$ 39,000
DONATIONS & GIFTS	\$ 1,000	\$ -	\$ 1,000
MISCELLANEOUS	\$ 2,800	\$ 5,366	\$ 2,000
<b>TOTAL DISBURSEMENTS</b>	<b>\$ 587,964</b>	<b>\$ 564,233</b>	<b>\$ 583,710</b>
<b>CONTRIBUTIONS TO SPECIFIC FUNDS</b>			
CONTRIBUTION TO PARKS AND RECREATION FUND (\$35/ASSESS.)	\$ 44,000	\$ 43,767	\$ 44,000
CONTRIBUTION TO WATER INFRASTRUCTURE FUND (\$60/ASSESS. & \$3 EACH BILLED CUSTOMER - \$16560 FROM WATER)	\$ 91,989	\$ 89,882	\$ 90,909
CONTRIBUTION TO ROAD INFRASTRUCTURE FUND (\$20/ASSESS.)	\$ 25,143	\$ 16,926	\$ 18,857
CONTRIBUTION TO EMERGENCY RESERVE FUND (\$0/ASSESS.)	\$ -	\$ 8,483	\$ 6,286
<b>TOTAL TO RESERVES</b>	<b>\$ 161,132</b>	<b>\$ 159,058</b>	<b>\$ 160,052</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 749,096</b>	<b>\$ 723,291</b>	<b>\$ 743,762</b>
<b>TOTAL RECEIPTS OVER DISBURSEMENTS</b>	<b>\$ 104</b>	<b>\$ 12,313</b>	<b>\$ 63</b>