

# The Collection - Commercial

## Calendar Year 2020 Operating Budget and Reserve Study

### EXECUTIVE SUMMARY

Prepared By: Debi Balmilero and Hawaiiana Management Company, Ltd on June 26, 2019

Approved by Board of Directors on September 17, 2019

#### PRESENT RESERVE LEVELS

Projected 2019 Ending Reserve Balance		\$43,247
Required End of 2019 Balance to be 100% Funded		\$24,523
Projected End of Year 2019 Percent Funding		176.4%

#### 2020 FULLY FUNDED MAINTENANCE FEES

Required End of Year 2020 Balance to be 100% Funded		\$32,237
Year 2020 Reserve Outlays		\$691
Year 2020 Reserve Contribution Required to be 100% Funded		(\$10,319)
Plus Projected Operating Expense		\$55,348
Less Other Income		\$12
Fully Funded Maintenance Fee Change/Amount	-15.2%	\$45,017
Management Executive Recommendation	7.0%	\$56,829

#### BOARD APPROVED YEAR 2020 MAINTENANCE FEES

Operating Expenses		\$55,348
Less Other Income		\$12
Maintenance Fee Change/Amount	7.0%	\$56,829
Reserve Contribution / FHA Requirement 10%	3%	\$1,493
Projected Funding Level/Balance at the End of Year 2020	136.64%	\$44,049

Hawaiiana Management Company, Ltd

2020 Monthly Cash Operating Budget For

**The Collection - Commercial**

Approved by Board of Directors on September 17, 2019

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DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL
REVENUE	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	TOTAL
MAINTENANCE FEES	4,736	4,736	4,736	4,736	4,736	4,736	4,736	4,736	4,736	4,736	4,736	4,736	56,829
CHECKING INTEREST	1	1	1	1	1	1	1	1	1	1	1	1	12
<b>TOTAL REVENUE</b>	<b>4,737</b>	<b>4,737</b>	<b>4,737</b>	<b>4,737</b>	<b>4,737</b>	<b>4,737</b>	<b>4,737</b>	<b>4,737</b>	<b>4,737</b>	<b>4,737</b>	<b>4,737</b>	<b>4,737</b>	<b>56,841</b>

CONTRACT SERVICES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
HOUSEKEEPING SVCS	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	1,340	16,074
SECURITY SVCS	2,277	2,277	2,277	2,277	2,277	2,277	2,277	2,277	2,277	2,277	2,277	2,277	27,326
FIRE ALARM SYSTEM	301	301	301	301	301	301	301	301	301	301	301	301	3,612
<b>TOTAL CNTRCT SVCS</b>	<b>3,918</b>	<b>3,918</b>	<b>3,918</b>	<b>3,918</b>	<b>3,918</b>	<b>3,918</b>	<b>3,918</b>	<b>3,918</b>	<b>3,918</b>	<b>3,918</b>	<b>3,918</b>	<b>3,918</b>	<b>47,012</b>

MAINTENANCE	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
BLDG MAINT	50			50			50			50			200
<b>TOTAL MAINTENANCE</b>	<b>50</b>			<b>50</b>			<b>50</b>			<b>50</b>			<b>200</b>

Approved by Board of Directors on September 17, 2019

DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL
<b>OTHER EXPENSES</b>	<b>JAN</b>	<b>FEB</b>	<b>MAR</b>	<b>APR</b>	<b>MAY</b>	<b>JUNE</b>	<b>JULY</b>	<b>AUG</b>	<b>SEPT</b>	<b>OCT</b>	<b>NOV</b>	<b>DEC</b>	<b>TOTAL</b>
MASTER ASSOC DUES	678	678	678	678	678	678	678	678	678	678	678	678	8,136
TOTAL OTHER EXP.	678	678	678	678	678	678	678	678	678	678	678	678	8,136
TOTAL OP EXPENSE	4,646	4,596	4,596	4,646	4,596	4,596	4,646	4,596	4,596	4,646	4,596	4,596	55,348
LOAN PAYMENTS													
TRANSFER TO RESERVES	91	141	141	91	141	141	91	141	141	91	141	141	1,493

**THE COLLECTION - COMMERCIAL YEAR 2020 RESERVE PROJECTS AS OF SEPTEMBER 17, 2019**

**COST NOW and NORM LIFE values are best estimates by Hawaiiana Management and vendors who were nice enough to inspect the property or give a best guess.**

**It may be advisable to employ an expert to evaluate those projects with high cost.**

				RESERVE FUND STATUS - PERCENT FUNDED METHOD				M. FEE	RESERVE.	MAINT.	
First Plan Year - Calendar	2020	Reference Year	2019	THE MODEL'S FINDINGS FOR % FUNDING		2019 Deficit	CHANGE	CONTRIB	FEEES		
Final Plan Year	2039			Recommended Reserve Funding	100%	(18,724)	-15%	(11,010)	45,017		
2019 Maintenance Fees	53,112	2020 Maint Fees	56,829	Target Reserve Funding Level	50%	(30,985)	-45.59%	(27,128)	28,899		
2019 Other Income	165	2020 Othr Inc	12	Minimum Reserve Funding Level	50%	(30,985)	-46%	(27,128)	28,899		
2019 Operating Expenses	-35,073	2020 Exp	-55,348	EOY 2020 Funding % @ Approved Lev	136.64%		7%	802	56,829		
2019 Reserve Contribution	18,203	2020 Contribution	1,493	Condition Codes	Source Codes		Source Codes				
Projected Reserves At Start of 2020	43,247	Target Funding L	50%	EXCELNT	E	Contractor Proposal	1	Cost at Similar Project	5		
Projected Reserve % at Start of 2020	176.4%	Tgt Ann Contrib	4,202	GOOD	G	Contractor Estimate	2	Statistical Guideline	6		
Minimum Inflation	2.0%	Req Contrib-Tgt	(26,783)	FAIR	F	Engineer/Arch Estimate	3	Inflate First Year?	no		
Projected Savings Interest	2.0%	App. % Change	7.0%	POOR	P	Cost When Last Done	4				
CAPITAL INVENTORY		NORM	DONE	LAST	CO	NEXT	COST	COST	FUNDING	EOY	
ITEM	ADJUSTMENT	LIFE	LAST	COST	ND	DUE DATE	NOW	SRC	RQMNT	RES	DEFICIT
Power Shaver/Conditioner	-18	20	2018			2020	691		345	345	
Window Seal - Test/Repair		10	2016			2026	8,452		2,536	2,536	
Window Seal - Replace		20	2016			2036	38,689		5,803	5,803	
Fire Alarm System - Replace/Upgrade		20	2016			2036	3,091		464	464	
Glass Doors and Windows - Replace		25	2016			2041	128,125		15,375	34,099	-18,724
2019 End Yr Totals							179,047		24,523	43,247	(18,724)

### The Collection - Commercial

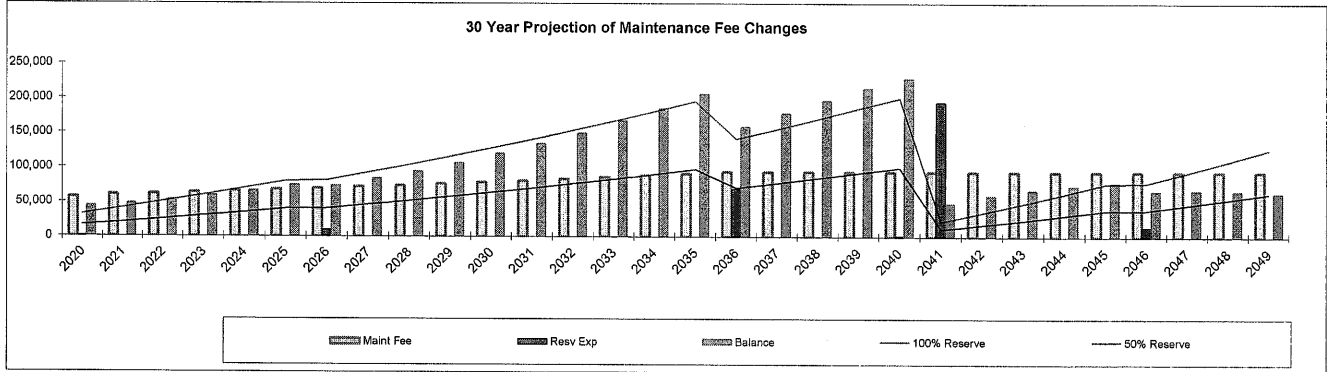
#### Board Approved 2020 Cash Flow Plan

Prepared By: Debi Balmilero and Hawaiiana Management Company, Ltd

#### Maintenance Fee Plan to Accomplish All Known Improvements and Repairs For Next 30 Years

Assumed Rate of Inflation: 2%

Assumed Savings Interest Rate: 2%



#### Contingency Reserve Fund

\$0

CY	Starting Balance	-Reserve Expense	-Loan Payments	-Operating Expenses	+Maint. Fees	+Other Income	=Interm Bal	+Interest Income	=Ending Balance	% Maint. Fee Change	Net Reserve Contrib.	Percent Funded
2020	43,247	691	0	55,348	56,829	12	44,049	Included	44,049	7.0%	802	137%
2021	44,049	0	0	56,455	60,239	0	47,833	919	48,752	6.0%	3,784	119%
2022	48,752	0	0	57,584	62,046	0	53,213	1,020	54,233	3.0%	4,462	108%
2023	54,233	0	0	58,736	63,908	0	59,405	1,136	60,541	3.0%	5,172	101%
2024	60,541	0	0	59,911	65,825	0	66,455	1,270	67,725	3.0%	5,914	97%
2025	67,725	0	0	61,109	67,800	0	74,416	1,421	75,837	3.0%	6,691	94%
2026	75,837	9,518	0	62,331	69,834	0	73,822	1,497	75,318	3.0%	(2,016)	92%
2027	75,318	0	0	63,578	71,929	0	83,669	1,590	85,259	3.0%	8,351	92%
2028	85,259	0	0	64,849	74,087	0	94,496	1,798	96,294	3.0%	9,237	93%
2029	96,294	0	0	66,146	76,309	0	106,457	2,028	108,484	3.0%	10,163	94%
2030	108,484	0	0	67,469	78,599	0	119,613	2,281	121,894	3.0%	11,129	95%
2031	121,894	0	0	68,819	80,956	0	134,032	2,559	136,591	3.0%	12,138	97%
2032	136,591	0	0	70,195	83,385	0	149,781	2,864	152,645	3.0%	13,190	100%
2033	152,645	0	0	71,599	85,887	0	166,933	3,196	170,128	3.0%	14,288	102%
2034	170,128	0	0	73,031	88,463	0	185,561	3,557	189,118	3.0%	15,432	105%
2035	189,118	0	0	74,492	91,117	0	205,743	3,949	209,692	3.0%	16,626	107%
2036	209,692	68,957	0	75,981	93,851	0	158,604	3,683	162,287	3.0%	(51,088)	115%
2037	162,287	0	0	77,501	93,851	0	178,637	3,409	182,046	0.0%	16,350	117%
2038	182,046	0	0	79,051	93,851	0	196,845	3,789	200,634	0.0%	14,800	118%
2039	200,634	0	0	80,632	93,851	0	213,853	4,145	217,998	0.0%	13,219	118%
2040	217,998	1,027	0	82,245	93,851	0	228,577	4,466	233,042	0.0%	10,579	116%
2041	233,042	194,195	0	83,890	93,851	0	48,809	2,819	51,627	0.0%	(184,234)	232%
2042	51,627	0	0	85,567	93,851	0	59,910	1,115	61,026	0.0%	8,283	173%
2043	61,026	0	0	87,279	93,851	0	67,598	1,286	68,884	0.0%	6,572	141%
2044	68,884	0	0	89,024	93,851	0	73,710	1,426	75,136	0.0%	4,826	120%
2045	75,136	0	0	90,805	93,851	0	78,182	1,533	79,715	0.0%	3,046	103%
2046	79,715	14,143	0	92,621	93,851	0	66,802	1,465	68,267	0.0%	(12,913)	87%
2047	68,267	0	0	94,473	93,851	0	67,644	1,359	69,003	0.0%	(623)	74%
2048	69,003	0	0	96,363	93,851	0	66,491	1,355	67,846	0.0%	(2,512)	62%
2049	67,846	0	0	98,290	93,851	0	63,407	1,313	64,719	0.0%	(4,439)	51%