

The Collection - Commercial

Calendar Year 2021 Operating Budget and Reserve Study

EXECUTIVE SUMMARY

Prepared By: Debi Balmilero and Hawaiiana Management Company, Ltd on June 23, 2020

Approved by Board of Directors on September 22, 2020

PRESENT RESERVE LEVELS

Projected 2020 Ending Reserve Balance		\$57,341
Required End of 2020 Balance to be 100% Funded		\$55,367
Projected End of Year 2020 Percent Funding		103.6%

2021 FULLY FUNDED MAINTENANCE FEES

Required End of Year 2021 Balance to be 100% Funded		\$70,109
Year 2021 Reserve Outlays		\$0
Year 2021 Reserve Contribution Required to be 100% Funded		\$12,767
Plus Projected Operating Expense		\$17,594
Less Other Income		\$0
Fully Funded Maintenance Fee Change/Amount	-46.6%	\$30,361
Management Executive Recommendation	0.0%	\$56,829

BOARD APPROVED YEAR 2021 MAINTENANCE FEES

Operating Expenses		\$17,594
Less Other Income		\$0
Maintenance Fee Change/Amount	0.0%	\$56,830
Reserve Contribution / FHA Requirement 10% of Maint fees	69%	\$39,236
Projected Funding Level/Balance at the End of Year 2021	137.75%	\$96,577

Hawaiiana Management Company, Ltd

2021 Monthly Cash Operating Budget For

The Collection - Commercial

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DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL
REVENUE	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	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
TOTAL REVENUE	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

CONTRACT SERVICES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
Window Cleaning			1,360						1,360				2,720
Security Services	675	675	675	675	675	675	675	675	675	675	675	675	8,100
Fire System - General									1,100				1,100
TOTAL CNTRCT SVCS	675	675	2,035	675	675	675	675	675	3,135	675	675	675	11,920

MAINTENANCE	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
Building Maintenance	50			50			50			50			200
TOTAL MAINTENANCE	50			50			50			50			200

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DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL
OTHER EXPENSES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
MASTER ASSOC DUES	456	456	456	456	456	456	456	456	456	456	456	456	5,474
TOTAL OTHER EXP.	456	456	456	456	456	456	456	456	456	456	456	456	5,474
TOTAL OP EXPENSE	1,181	1,131	2,491	1,181	1,131	1,131	1,181	1,131	3,591	1,181	1,131	1,131	17,594
LOAN PAYMENTS													
TRANSFER TO RESERVES	3,555	3,605	2,245	3,555	3,605	3,605	3,555	3,605	1,145	3,555	3,605	3,605	39,236

THE COLLECTION - COMMERCIAL YEAR 2021 RESERVE PROJECTS AS OF SEPTEMBER 22, 2020												Page 4
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	2021	Reference Year	2020	THE MODEL'S FINDINGS FOR % FUNDING			2020 Deficit	CHANGE	CONTRIB	FEEES		
Final Plan Year	2040			Recommended Reserve Funding	100%	(1,975)	-47%	12,767	30,361			
2020 Maintenance Fees	56,829	2021 Maint Fees	56,829	Target Reserve Funding Level	50%	(29,658)	-108.26%	(22,287)	-4,693			
2020 Other Income	8,124	2021 Othr Inc		Minimum Reserve Funding Level	50%	(29,658)	-108%	(22,287)	-4,693			
2020 Operating Expenses	-48,510	2021 Exp	-17,594	EOY 2021 Funding % @ Approved Le	137.75%		0%	39,236	56,829			
2020 Reserve Contribution	16,443	2021 Contributio	39,236	Condition Codes	Source Codes		Source Codes					
Projected Reserves At Start of 2021	57,341	Target Funding L	50%	EXCELNT	E	Contractor Proposal	1	Cost at Similar Project	5			
Projected Reserve % at Start of 2021	103.6%	Tgt Ann Contrib	6,921	GOOD	G	Contractor Estimate	2	Statistical Guideline	6			
Minimum Inflation	1.3%	Req Contrib-Tgt	(22,737)	FAIR	F	Engineer/Arch Estimate	3	Inflate First Year?	Yes			
Projected Savings Interest	0.5%	App. % Change		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	
Ext. - Wall Surfaces (Prep & Paint)		10	2016			2026	60,000		24,000	24,000		
Ext. - Window Seal (Test/Repairs)		10	2016			2026	8,500		3,400	3,400		
Ext. - Awning/Metal (Refinish)		10	2016			2026	5,000		2,000	2,000		
Fire - Alarm System (Replace/Upgrade)		15	2016			2031	3,500		933	933		
Ext. - Window Seal (Replace)		20	2016			2036	38,500		7,700	7,700		
Ext. - Glass Doors & Windows (Replace)		30	2016			2046	130,000		17,333	19,308	-1,975	
2020 End Yr Totals							245,500		55,367	57,341	(1,975)	

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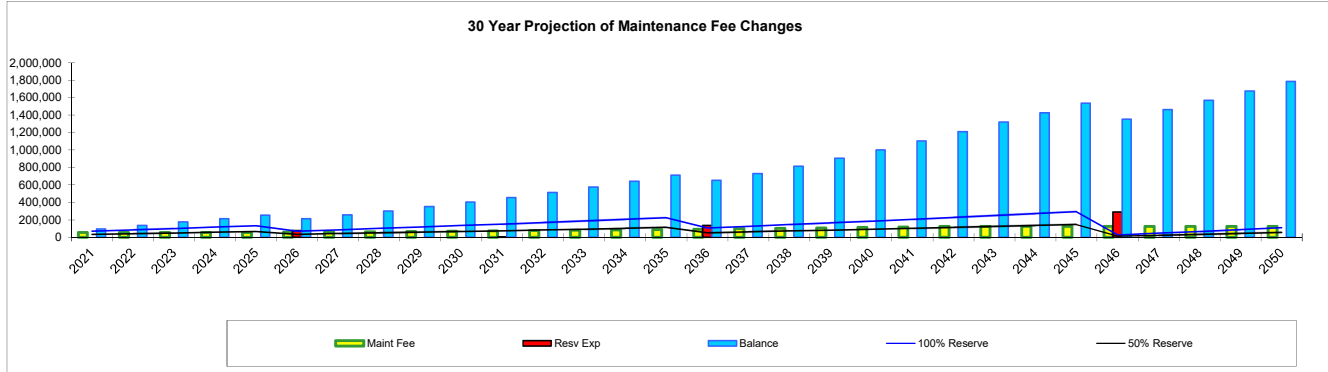
Board Approved 2021 Cash Flow Plan

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: 1.3%

Assumed Savings Interest Rate: 0.5%



Contingency Reserve Fund

\$0

CY Year	Starting Balance	-Reserve Expense	-Loan Payments	-Operating Expenses	+Maint. Fees	+Other Income	=Intern Bal	+Interest Income	=Ending Balance	% Maint. Fee Change	Net Reserve Contrib.	Percent Funded
2021	57,341	0	0	17,594	56,829	0	96,577	Included	96,577	0.0%	39,236	138%
2022	96,577	0	0	17,822	56,829	0	135,584	580	136,165	0.0%	39,007	160%
2023	136,165	0	0	18,054	56,829	0	174,940	778	175,718	0.0%	38,776	174%
2024	175,718	0	0	18,289	56,829	0	214,259	975	215,234	0.0%	38,541	185%
2025	215,234	0	0	18,526	56,829	0	253,537	1,172	254,709	0.0%	38,303	192%
2026	254,709	79,423	0	18,767	58,534	0	215,053	1,174	216,227	3.0%	(39,656)	308%
2027	216,227	0	0	19,011	60,290	0	257,506	1,184	258,691	3.0%	41,279	300%
2028	258,691	0	0	19,258	63,305	0	302,737	1,404	304,141	5.0%	44,047	296%
2029	304,141	0	0	19,509	66,470	0	351,102	1,638	352,740	5.0%	46,961	295%
2030	352,740	0	0	19,762	69,794	0	402,772	1,889	404,661	5.0%	50,031	296%
2031	404,661	4,034	0	20,019	73,283	0	453,891	2,146	456,037	5.0%	49,230	303%
2032	456,037	0	0	20,280	76,948	0	512,705	2,422	515,127	5.0%	56,668	305%
2033	515,127	0	0	20,543	80,795	0	575,379	2,726	578,105	5.0%	60,252	309%
2034	578,105	0	0	20,810	84,835	0	642,129	3,051	645,180	5.0%	64,024	313%
2035	645,180	0	0	21,081	89,076	0	713,176	3,396	716,571	5.0%	67,996	317%
2036	716,571	137,711	0	21,355	93,530	0	651,036	3,419	654,455	5.0%	(65,536)	606%
2037	654,455	0	0	21,632	98,207	0	731,029	3,464	734,493	5.0%	76,574	580%
2038	734,493	0	0	21,914	103,117	0	815,696	3,875	819,572	5.0%	81,203	562%
2039	819,572	0	0	22,199	108,273	0	905,646	4,313	909,959	5.0%	86,074	550%
2040	909,959	0	0	22,487	113,687	0	1,001,159	4,778	1,005,936	5.0%	91,199	543%
2041	1,005,936	0	0	22,779	119,371	0	1,102,528	5,271	1,107,799	5.0%	96,591	538%
2042	1,107,799	0	0	23,076	125,339	0	1,210,063	5,795	1,215,858	5.0%	102,264	536%
2043	1,215,858	0	0	23,376	125,339	0	1,317,821	6,334	1,324,156	0.0%	101,964	533%
2044	1,324,156	0	0	23,679	125,339	0	1,425,816	6,875	1,432,690	0.0%	101,660	529%
2045	1,432,690	0	0	23,987	125,339	0	1,534,043	7,417	1,541,459	0.0%	101,352	525%
2046	1,541,459	289,612	0	24,299	125,339	0	1,352,888	7,236	1,360,124	0.0%	(188,572)	5050%
2047	1,360,124	0	0	24,615	125,339	0	1,460,848	7,052	1,467,901	0.0%	100,724	3130%
2048	1,467,901	0	0	24,935	125,339	0	1,568,305	7,591	1,575,895	0.0%	100,404	2339%
2049	1,575,895	0	0	25,259	125,339	0	1,675,976	8,130	1,684,105	0.0%	100,080	1905%
2050	1,684,105	0	0	25,587	125,339	0	1,783,857	8,670	1,792,527	0.0%	99,752	1631%