

The Collection-Commercial

Calendar Year 2022 Operating Budget and Reserve Study

EXECUTIVE SUMMARY

Prepared By: Debi Balmilero and Hawaiiiana Management Company, Ltd on June 23, 2021

Approved by Board of Directors on August 17, 2021

PRESENT RESERVE LEVELS

Projected 2021 Ending Reserve Balance		\$117,823
Required End of 2021 Balance to be 100% Funded		\$116,577
Projected End of Year 2021 Percent Funding		101.1%

2022 FULLY FUNDED MAINTENANCE FEES

Required End of Year 2022 Balance to be 100% Funded		\$48,176
Year 2022 Reserve Outlays		\$70,848
Year 2022 Reserve Contribution Required to be 100% Funded		\$1,201
Plus Projected Operating Expense		\$25,113
Less Other Income		\$132
Fully Funded Maintenance Fee Change/Amount	-53.9%	\$26,181
Management Executive Recommendation	0.0%	\$56,829

BOARD APPROVED YEAR 2022 MAINTENANCE FEES

Operating Expenses		\$25,113
Less Other Income		\$132
Maintenance Fee Change/Amount	0.0%	\$56,830
Reserve Contribution / FHA Requirement 10% of Maint fees	56%	\$31,849
Projected Funding Level/Balance at the End of Year 2022	163.62%	\$78,824

Hawaiiana Management Company, Ltd

2022 Monthly Cash Operating Budget For

The Collection-Commercial

Approved by Board of Directors on August 17, 2021

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DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL
REVENUE	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	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
INVESTMENT INTEREST	10	10	10	10	10	10	10	10	10	10	10	10	120
CHECKING INTEREST	1	1	1	1	1	1	1	1	1	1	1	1	12
TOTAL REVENUE	4,747	4,747	4,747	4,747	4,747	4,747	4,747	4,747	4,747	4,747	4,747	4,747	56,961

CONTRACT SERVICES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
HOUSEKEEPING SERVICES	447	447	447	447	447	447	447	447	447	447	447	447	5,364
WINDOW WASHING		419				419				419			1,257
SECURITY SERVICES	928	928	928	928	928	928	928	928	928	928	928	928	11,136
FIRE ALARM SYSTEM									1,100				1,100
TOTAL CNTRCT SVCS	1,375	1,794	1,375	1,375	1,375	1,794	1,375	1,375	2,475	1,794	1,375	1,375	18,857

MAINTENANCE	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
BUILDING MAINTENANCE	193			193			193			193			772
TOTAL MAINTENANCE	193			193			193			193			772

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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	457	457	457	457	457	457	457	457	457	457	457	457	5,484
TOTAL OTHER EXP.	457	457	457	457	457	457	457	457	457	457	457	457	5,484
TOTAL OP EXPENSE	2,025	2,251	1,832	2,025	1,832	2,251	2,025	1,832	2,932	2,444	1,832	1,832	25,113
LOAN PAYMENTS													
TRANSFER TO RESERVES	2,722	2,496	2,915	2,722	2,915	2,496	2,722	2,915	1,815	2,303	2,915	2,915	31,849

THE COLLECTION-COMMERCIAL YEAR 2022 RESERVE PROJECTS AS OF AUGUST 17, 2021

COST NOW and NORM LIFE values are best estimates based on industry standards of the most probable current replacement costs and the assumption of regular maintenance.											
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	2022	Reference Year	2021	THE MODEL'S FINDINGS FOR % FUNDING			2021 Deficit	CHANGE	CONTRIB	FEEES	
Final Plan Year	2041			Recommended Reserve Funding	100%	(1,247)	-54%	(69,647)	26,181		
2021 Maintenance Fees	56,829	2022 Maint Fees	56,829	Target Reserve Funding Level	50%	(59,535)	-96.32%	(93,735)	2,093		
2021 Other Income	256	2022 Othr Inc	132	Minimum Reserve Funding Level	50%	(59,535)	-96%	(93,735)	2,093		
2021 Operating Expenses	-27,059	2022 Exp	-25,113	EOY 2022 Funding % @ Approved Lev	163.62%		0%	(38,999)	56,829		
2021 Reserve Contribution	30,026	2022 Contribution	31,849	Condition Codes	Source Codes		Source Codes				
Projected Reserves At Start of 2022	117,823	Target Funding L	50%	EXCELNT	E	Contractor Proposal	1	Cost at Similar Project	5		
Projected Reserve % at Start of 2022	101.1%	Tgt Ann Contrib	9,715	GOOD	G	Contractor Estimate	2	Statistical Guideline	6		
Minimum Inflation	2.1%	Req Contrib-Tgt	(49,820)	FAIR	F	Engineer/Arch Estimate	3	Inflate First Year?	Yes		
Projected Savings Interest	1.0%	App. % Change		POOR	P	Cost When Last Done	4				
CAPITAL INVENTORY											
ITEM	ADJUSTMENT	NORM LIFE	DONE LAST COST	LAST COST	CO ND	NEXT DUE DATE	COST NOW SRC	FUNDING RQMNT	EOY RES	DEFICIT	
Ext. - Wall Surfaces (Prep & Paint)	-4	10	2016			2022	60,780	60,780	60,780		
Ext. - Window Seal (Test/Repairs)	-4	10	2016			2022	8,611	8,611	8,611		
Ext. - Awning/Metal (Refinish)		10	2016			2026	5,065	3,039	3,039		
Security Camera System		12	2016			2028	9,380	4,690	4,690		
Fire - Alarm System (Replace/Upgrade)		15	2016			2031	3,546	1,418	1,418		
Ext. - Window Seal (Replace)		20	2016			2036	39,001	11,700	11,700		
Ext. - Glass Doors & Windows (Replace)		30	2016			2046	131,690	26,338	27,585	-1,247	
2021 End Yr Totals							258,073	116,577	117,823	(1,247)	

The Collection-Commercial

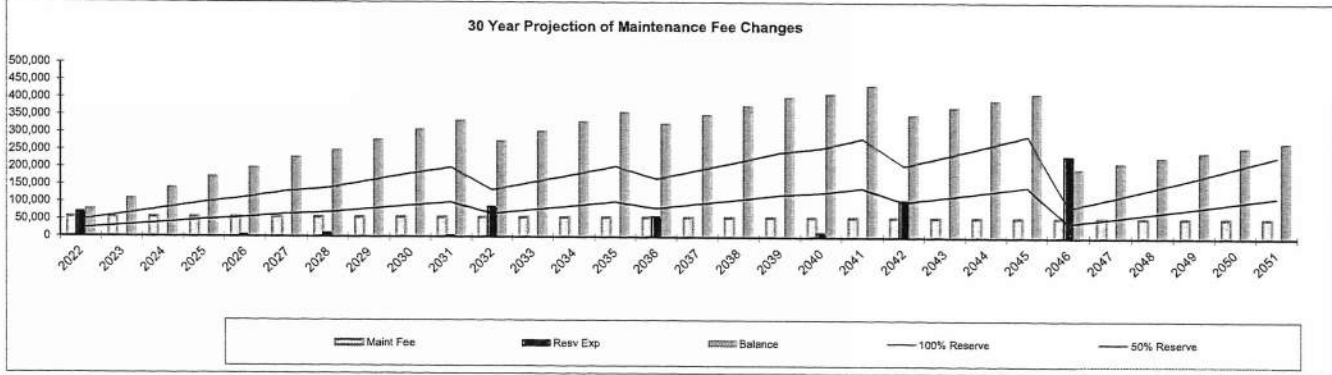
Board Approved 2022 Cash Flow Plan

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: 2.1%

Assumed Savings Interest Rate: 1%



Contingency Reserve Fund

\$0

CY Year	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
2022	117,823	70,848	0	25,113	56,829	132	78,824	Included	78,824	0.0%	(38,999)	164%
2023	78,824	0	0	25,640	56,829	12	110,026	944	110,970	0.0%	31,202	172%
2024	110,970	0	0	26,178	56,829	13	141,634	1,263	142,897	0.0%	30,664	175%
2025	142,897	0	0	26,728	56,829	13	173,011	1,580	174,591	0.0%	30,114	175%
2026	174,591	5,620	0	27,289	56,829	13	198,524	1,866	200,390	0.0%	23,933	178%
2027	200,390	0	0	27,862	56,829	13	229,370	2,149	231,519	0.0%	28,980	176%
2028	231,519	10,848	0	28,448	56,829	14	249,066	2,403	251,469	0.0%	17,547	179%
2029	251,469	0	0	29,045	56,829	14	279,267	2,654	281,921	0.0%	27,798	175%
2030	281,921	0	0	29,655	56,829	14	309,110	2,955	312,065	0.0%	27,189	171%
2031	312,065	4,365	0	30,278	56,829	14	334,266	3,232	337,498	0.0%	22,201	169%
2032	337,498	87,214	0	30,914	56,829	15	276,215	3,069	279,283	0.0%	(61,283)	206%
2033	279,283	0	0	31,563	56,829	15	304,565	2,919	307,484	0.0%	25,282	195%
2034	307,484	0	0	32,226	56,829	15	332,104	3,198	335,302	0.0%	24,619	186%
2035	335,302	0	0	32,902	56,829	16	359,245	3,473	362,717	0.0%	23,943	178%
2036	362,717	60,185	0	33,593	56,829	16	325,785	3,443	329,227	0.0%	(36,933)	196%
2037	329,227	0	0	34,299	56,829	16	351,775	3,405	355,180	0.0%	22,547	185%
2038	355,180	0	0	35,019	56,829	17	377,007	3,661	380,668	0.0%	21,827	175%
2039	380,668	0	0	35,754	56,829	17	401,760	3,912	405,672	0.0%	21,092	167%
2040	405,672	13,921	0	36,505	56,829	17	412,093	4,089	416,182	0.0%	6,421	162%
2041	416,182	0	0	37,272	56,829	18	435,757	4,260	440,017	0.0%	19,576	155%
2042	440,017	107,360	0	38,054	56,829	18	351,450	3,957	355,408	0.0%	(88,567)	173%
2043	355,408	0	0	38,854	56,829	19	373,402	3,644	377,046	0.0%	17,994	161%
2044	377,046	0	0	39,670	56,829	19	394,225	3,856	398,081	0.0%	17,179	152%
2045	398,081	0	0	40,503	56,829	19	414,427	4,063	418,490	0.0%	16,346	143%
2046	418,490	235,888	0	41,353	56,829	20	198,098	3,083	201,181	0.0%	(220,392)	230%
2047	201,181	0	0	42,222	56,829	20	215,809	2,085	217,894	0.0%	14,628	190%
2048	217,894	0	0	43,108	56,829	21	231,636	2,248	233,884	0.0%	13,742	164%
2049	233,884	0	0	44,013	56,829	21	246,721	2,403	249,124	0.0%	12,837	144%
2050	249,124	0	0	44,938	56,829	21	261,037	2,551	263,588	0.0%	11,913	130%
2051	263,588	0	0	45,881	56,829	22	274,558	2,691	277,248	0.0%	10,970	118%