



MONTHLY BUDGET ANALYSIS FOR: The Collection-Commercial

Approved budget to be effective on: January 1, 2023

Prepared By: Michele Alueta/Budget Committee

Board Approved Date:

September 14, 2022

	2022 Budget	Actual Monthly Average	CM Proposed 2023 Budget	BOD Proposed 2023 Budget	Approved 2023 Budget
CASH FLOW TO COVER LOAN PAYMENTS					
2800 TOTAL LOAN PAYMENTS	0	0	0	0	0
TOTAL LOAN PAYMENTS	0	0	0	0	0
REVENUE:					
4000 ASSESSMENT INCOME	4,736	4,595	4,736	3,727	4,736
4200 USER FEE INCOME	0	0	0	0	0
4400 RENTAL INCOME	0	0	0	0	0
4500 FOOD & BEVERAGE INCOME	0	0	0	0	0
4700 COLLECTIONS INCOME	0	0	0	0	0
4800 OTHER INCOME	0	0	0	0	0
4900 INVESTMENT INCOME	1	1	1	1	1
TOTAL REVENUES	4,737	4,596	4,737	3,728	4,737
EXPENSES:					
OPERATING EXPENSES:					
5000 ADMINISTRATIVE	457	378	487	487	487
5200 COMMUNICATIONS	0	0	0	0	0
5400 INSURANCE	0	0	0	0	0
6000 UTILITIES	0	0	0	1,354	1,354
6100 LANDSCAPING	0	0	0	0	0
6200 IRRIGATION	0	0	0	0	0
6300 OPERATIONS	0	0	0	0	0
6400 CONTRACTED SERVICES	1,572	397	1,531	597	597
6500 REPAIR & MAINTENANCE	65	0	65	65	65
7000 PROFESSIONAL SERVICES	0	0	0	0	0
8100 SHARED EXPENSES	0	0	0	0	0
8900 ASSOCIATION OWNED UNIT EXPENSES	0	0	0	0	0
9000 TAXES	0	0	0	0	0
9100 OTHER EXPENSES	2,654	0	2,654	1,225	2,234
TOTAL OPERATING EXPENSES:	4748	776	4737	3728	4737
NET INCOME/LOSS	(11)	3820	0	0	0
RESERVES:					
4905 RESERVES CONTRIBUTION	2,654	0	2,654	1,225	2,234
4910 RESERVES INTEREST INCOME	10	9	5	49	55
9800 RESERVE EXPENSES	5,783	0	5,783	5,783	5,783
RESERVE DEPT - NET INCOME/LOSS	(3119)	9	(3124)	(4509)	(3494)

NOTE: The budgeted revenues and expenses are based on accrual-basis accounting.



The Collection - Commercial Honolulu, HI



Reserve Study Annual Update
January 1, 2023

Associa Hawaii Reserve Study Division

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Disclosure Statement

A Reserve Study Annual Update was prepared using the cash flow method of analysis for The Collection - Commercial utilizing data provided by the Board of Directors combined with data from prior Reserve Studies performed for the Association. This Reserve Study has been prepared for the fiscal year ending December 31, 2023. Before estimating the Reserve fund beginning balance for fiscal year 2023, the remaining monthly Reserve contributions and planned capital expenditures for the current fiscal year were accounted for. Interest earned on Reserve contributions is included as part of the funding plan and must remain in the Reserve accounts. Therefore, it is estimated that the FY 2023 beginning Reserve fund balance will be approximately \$120,507.

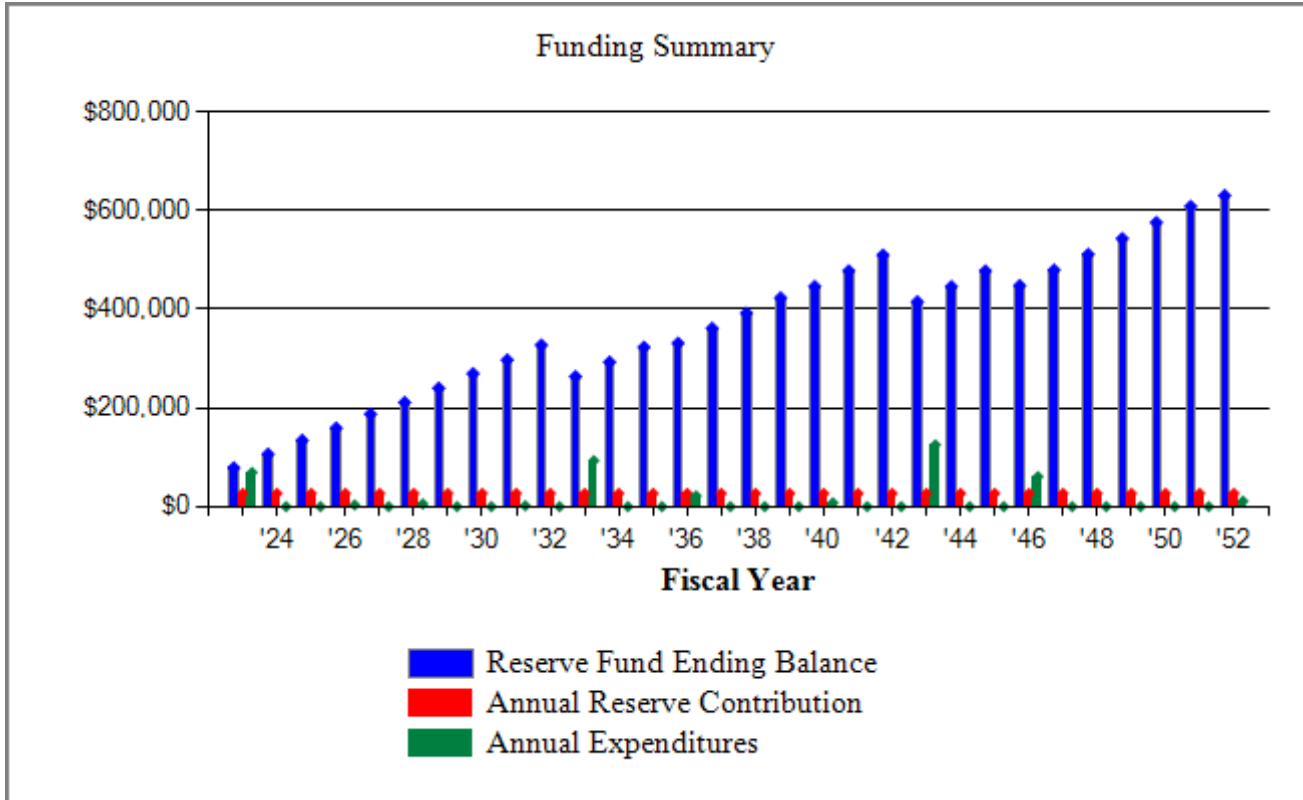
According to the cash flow funding plan the Association will collect \$26,808 in FY 2023. The cash flow funding plan may require future increased annual contributions as reflected in this Reserve Study. The Association's Funding Plan will meet projected future capital expenditure requirements and provides for Reserve fund balances that comply with HRS 514B-148. The Reserve Study was approved by the Board of Directors as part of the FY 2023 Budget.

The Reserve Study is a requirement of HRS 514B-148. It is important to recognize that a Reserve Study is a financial forecast of planned contributions and expenditures required to maintain the capital components of the project. Hawaii Law requires the Association to use reasonable efforts to project inflation, interest income, component inventory, component life & remaining life, and replacement costs of the project's components for a 30-year period.

By its nature, a Reserve Study is a budgeting tool, or an estimate, used for annual budgeting purposes. It is not an audit, quality inspection, or a guarantee of forecasted results. The Reserve Study is an independent report performed as an aid for planning and budgeting purposes and is not an accounting tool. Since it deals with events yet to take place, there is no assurance that the results enumerated within it will, in fact, occur as described. It has been assumed, unless otherwise noted in this report, that all assets have been designed and constructed properly and that each estimated useful life of a component will be in accordance with the industry standard or manufacturer's specifications. The predictability and replacement cost of some components may be difficult to estimate due to wide variances in the predicted useful life.

The FY 2023 Reserve Study reflects that AOA The Collection - Commercial has complied with the Reserve requirements of HRS 514B-148, provided that the Association implements the funding plan as outlined in this Reserve Study. The Board of Directors provided the component data and funding plan for this study based on its experience with the project. This Reserve Study is valid only for the fiscal year it was prepared for and should be updated annually to comply with HRS 514B – 148.

The Collection - Commercial
Reserve Study Overview



This graph provides a summary of the Association's funding plan. It reflects the planned annual Reserve expenditures, annual Reserve contributions and anticipated Reserve fund ending balances. The green bar generally should not be taller than the blue bar, except for years that have planned large expenditures. The blue bar should never be \$0 or negative and the red bar should be consistent, or increase, throughout the funding plan and ideally does not decrease.

Reserve Study Financial Summary FY 2023

Reserve Fund Balance:	\$120,507
Annual Contribution:	\$26,808
Reserve Fund Expenditures:	\$69,391
Total Reserve Replacement Cost:	\$116,576
Funding Type: Cash Flow	

Reserve Funding Plan – Next 4 Years

Year	Annual Contribution
2023	\$26,808
2024	\$26,808
2025	\$26,808
2026	\$26,808

Year Built	January 1, 2016
Number of Units	
Inflation	3.0%
Interest	1.0%
Monthly Contribution	\$2,234
Average contribution per unit per month:	-\$2,234

The Collection - Commercial
 Honolulu, HI
 Current Assessment Funding Model Summary

Report Date	June 18, 2022
Account Number	757
Budget Year Beginning	January 1, 2023
Budget Year Ending	December 31, 2023

<i>Report Parameters</i>	
Inflation	3.00%
Annual Assessment Increase	0.00%
Interest Rate on Reserve Deposit	1.00%
2023 Beginning Balance	\$120,507

<i>Current Assessment Funding Model Summary of Calculations</i>	
Required Monthly Contribution	\$2,234.00
Average Net Monthly Interest Earned	<u>\$54.93</u>
Total Monthly Allocation to Reserves	\$2,288.93

The Collection - Commercial
Current Assessment Funding Model Projection

Beginning Balance: \$120,507

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves
2023	116,576	26,808	659	69,391	78,583
2024	120,073	26,808	935		106,326
2025	123,675	26,808	1,214		134,348
2026	127,386	26,808	1,462	3,321	159,297
2027	131,207	26,808	1,746		187,851
2028	135,144	26,808	1,978	5,437	211,200
2029	139,198	26,808	2,267		240,276
2030	143,374	26,808	2,559		269,643
2031	147,675	26,808	2,836	1,796	297,491
2032	152,105	26,808	3,134		327,434
2033	156,668	26,808	2,498	93,256	263,484
2034	161,368	26,808	2,793		293,085
2035	166,209	26,808	3,090		322,983
2036	171,196	26,808	3,173	21,645	331,319
2037	176,332	26,808	3,474		361,601
2038	181,622	26,808	3,778		392,187
2039	187,070	26,808	4,086		423,081
2040	192,682	26,808	4,318	7,752	446,455
2041	198,463	26,808	4,631		477,894
2042	204,417	26,808	4,947		509,648
2043	210,549	26,808	4,007	125,328	415,135
2044	216,866	26,808	4,316		446,259
2045	223,372	26,808	4,629		477,696
2046	230,073	26,808	4,334	60,777	448,061
2047	236,975	26,808	4,647		479,516
2048	244,084	26,808	4,963		511,287
2049	251,407	26,808	5,282		543,377
2050	258,949	26,808	5,604		575,789
2051	266,717	26,808	5,930		608,527
2052	274,719	26,808	6,148	11,052	630,431

The Collection - Commercial
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2023	
Ext. - Wall Surfaces (Prep & Paint)	60,780
Ext. - Window Seal (Test/Repairs)	<u>8,611</u>
Total for 2023	\$69,391
<i>No Replacement in 2024</i>	
<i>No Replacement in 2025</i>	
Replacement Year 2026	
Ext. - Awning/Metal (Refinish)	<u>3,321</u>
Total for 2026	\$3,321
<i>No Replacement in 2027</i>	
Replacement Year 2028	
Security Camera System	<u>5,437</u>
Total for 2028	\$5,437
<i>No Replacement in 2029</i>	
<i>No Replacement in 2030</i>	
Replacement Year 2031	
Fire - Alarm System (Replace/Upgrade)	<u>1,796</u>
Total for 2031	\$1,796
<i>No Replacement in 2032</i>	
Replacement Year 2033	
Ext. - Wall Surfaces (Prep & Paint)	81,683
Ext. - Window Seal (Test/Repairs)	<u>11,572</u>
Total for 2033	\$93,256
<i>No Replacement in 2034</i>	
<i>No Replacement in 2035</i>	
Replacement Year 2036	
Ext. - Awning/Metal (Refinish)	4,463

The Collection - Commercial
Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 2036 continued...</i>	
Ext. - Window Seal (Replace)	17,182
Total for 2036	<u>\$21,645</u>
 <i>No Replacement in 2037</i>	
<i>No Replacement in 2038</i>	
<i>No Replacement in 2039</i>	
 Replacement Year 2040	
Security Camera System	7,752
Total for 2040	<u>\$7,752</u>
 <i>No Replacement in 2041</i>	
<i>No Replacement in 2042</i>	
 Replacement Year 2043	
Ext. - Wall Surfaces (Prep & Paint)	109,775
Ext. - Window Seal (Test/Repairs)	15,552
Total for 2043	<u>\$125,328</u>
 <i>No Replacement in 2044</i>	
<i>No Replacement in 2045</i>	
 Replacement Year 2046	
Ext. - Awning/Metal (Refinish)	5,998
Ext. - Glass Doors & Windows (Replace)	51,980
Fire - Alarm System (Replace/Upgrade)	2,799
Total for 2046	<u>\$60,777</u>
 <i>No Replacement in 2047</i>	
<i>No Replacement in 2048</i>	
<i>No Replacement in 2049</i>	
<i>No Replacement in 2050</i>	
<i>No Replacement in 2051</i>	
 Replacement Year 2052	
Security Camera System	11,052
Total for 2052	<u>\$11,052</u>

The Collection - Commercial
Component Summary

Description	Date In Service	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Future Cost
Ext. - Awning/Metal (Refinish)	1/1/2016	2026	10		3	\$3,039	\$3,321
Ext. - Glass Doors & Windows (Replace)	1/1/2016	2046	30		23	\$26,338	\$51,980
Ext. - Wall Surfaces (Prep & Paint)	1/1/2016	2023	10	-3	0	\$60,780	\$60,780
Ext. - Window Seal (Replace)	1/1/2016	2036	20		13	\$11,700	\$17,182
Ext. - Window Seal (Test/Repairs)	1/1/2016	2023	10	-3	0	\$8,611	\$8,611
Fire - Alarm System (Replace/Upgrade)	1/1/2016	2031	15		8	\$1,418	\$1,796
Security Camera System	1/1/2016	2028	12		5	\$4,690	\$5,437