

MONTHLY BUDGET ANALYSIS FOR: The CollectionApproved budget to be effective on: January 1, 2024Prepared By: Michele Alueta

Board Approved Date:

October 11, 2023

	2023 Budget	Actual Monthly Average	CM Proposed 2024 Budget	BOD Proposed 2024 Budget	Approved 2024 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	4,039	5,170	5,170	5,170
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	4,040	5,171	5,171	5,171
EXPENSES:					
OPERATING EXPENSES:					
5000 ADMINISTRATIVE	487	576	634	634	634
5200 COMMUNICATIONS	0	0	0	0	0
5300 PAYROLL & BENEFITS	0	0	0	0	0
5400 INSURANCE	0	0	0	0	0
6000 UTILITIES	1,354	1,410	1,495	1,495	1,495
6100 LANDSCAPING	0	0	0	0	0
6200 IRRIGATION	0	0	0	0	0
6300 OPERATIONS	0	0	0	0	0
6400 CONTRACTED SERVICES	597	706	641	641	641
6500 REPAIR & MAINTENANCE	65	17	65	65	65
7000 PROFESSIONAL SERVICES	0	204	102	102	102
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	2,234	2,886	2,234	2,234	2,234
TOTAL OPERATING EXPENSES:	4737	5798	5171	5171	5171
NET INCOME/LOSS	0	(1758)	0	0	0
RESERVES:					
4905 RESERVES CONTRIBUTION	2,234	0	2,234	2,234	2,234
4910 RESERVES INTEREST INCOME	55	0	55	56	150
9800 RESERVE EXPENSES	5,783	0	0	0	0
RESERVE DEPT - NET INCOME/LOSS	(3494)	0	2289	2290	2384

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



The Collection - Commercial Honolulu, HI



Reserve Study Annual Update
January 1, 2024

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, 2024. Before estimating the Reserve fund beginning balance for fiscal year 2024, 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 2024 beginning Reserve fund balance will be approximately \$129,027.

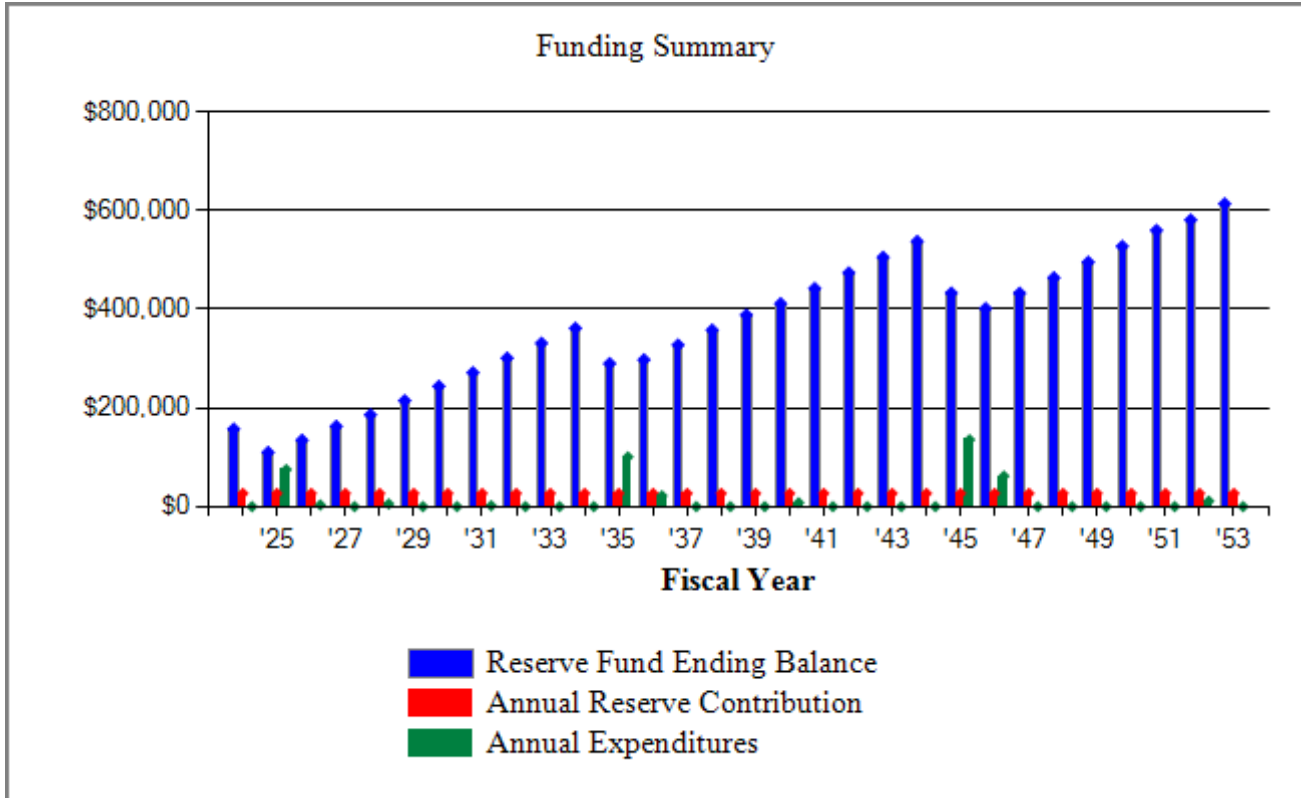
According to the cash flow funding plan the Association will collect \$26,808 in FY 2024. The cash flow funding plan may require future increased annual contributions as reflected in this Reserve Study. The Association's Funding Plan will meet projected future capital expenditure requirements and provides 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 2024 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 2024 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 2024

Reserve Fund Balance:	\$129,027
Annual Contribution:	\$26,808
Reserve Fund Expenditures:	\$0
Total Reserve Replacement Cost:	\$122,405
Funding Type:	Cash Flow

Reserve Funding Plan – Next 4 Years

Year	Annual Contribution
2024	\$26,808
2025	\$26,808
2026	\$26,808
2027	\$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	October 7, 2023
Account Number	757
Budget Year Beginning	January 1, 2024
Budget Year Ending	December 31, 2024

Report Parameters	
Inflation	3.00%
Annual Assessment Increase	0.00%
Interest Rate on Reserve Deposit	1.00%
2024 Beginning Balance	\$129,027

Current Assessment Funding Model Summary of Calculations	
Required Monthly Contribution	\$2,234.00
Average Net Monthly Interest Earned	<u>\$120.15</u>
Total Monthly Allocation to Reserves	\$2,354.15

The Collection - Commercial
Current Assessment Funding Model Projection

Beginning Balance: \$129,027

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves
2024	122,405	26,808	1,442		157,277
2025	126,077	26,808	972	75,046	110,010
2026	129,859	26,808	1,217	3,385	134,650
2027	133,755	26,808	1,498		162,956
2028	137,768	26,808	1,727	5,543	185,949
2029	141,901	26,808	2,014		214,770
2030	146,158	26,808	2,303		243,881
2031	150,542	26,808	2,577	1,831	271,436
2032	155,059	26,808	2,872		301,116
2033	159,710	26,808	3,171		331,095
2034	164,502	26,808	3,472		361,375
2035	169,437	26,808	2,763	100,856	290,089
2036	174,520	26,808	2,838	22,065	297,671
2037	179,756	26,808	3,136		327,615
2038	185,148	26,808	3,437		357,859
2039	190,703	26,808	3,741		388,408
2040	196,424	26,808	3,968	7,902	411,282
2041	202,316	26,808	4,277		442,367
2042	208,386	26,808	4,590		473,765
2043	214,638	26,808	4,905		505,478
2044	221,077	26,808	5,224		537,510
2045	227,709	26,808	4,184	135,542	432,959
2046	234,540	26,808	3,873	61,957	401,683
2047	241,576	26,808	4,181		432,672
2048	248,824	26,808	4,492		463,973
2049	256,288	26,808	4,807		495,587
2050	263,977	26,808	5,124		527,520
2051	271,896	26,808	5,445		559,773
2052	280,053	26,808	5,656	11,267	580,970
2053	288,455	26,808	5,982		613,760

The Collection - Commercial
Annual Expenditure Detail

Description	Expenditures
No Replacement in 2024	
Replacement Year 2025	
Ext. - Wall Surfaces (Prep & Paint)	65,734
Ext. - Window Seal (Test/Repairs)	9,313
Total for 2025	<u>\$75,046</u>
Replacement Year 2026	
Ext. - Awning/Metal (Refinish)	3,385
Total for 2026	<u>\$3,385</u>
No Replacement in 2027	
Replacement Year 2028	
Security Camera System	5,543
Total for 2028	<u>\$5,543</u>
No Replacement in 2029	
No Replacement in 2030	
Replacement Year 2031	
Fire - Alarm System (Replace/Upgrade)	1,831
Total for 2031	<u>\$1,831</u>
No Replacement in 2032	
No Replacement in 2033	
No Replacement in 2034	
Replacement Year 2035	
Ext. - Wall Surfaces (Prep & Paint)	88,340
Ext. - Window Seal (Test/Repairs)	12,516
Total for 2035	<u>\$100,856</u>
Replacement Year 2036	
Ext. - Awning/Metal (Refinish)	4,550

The Collection - Commercial
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2036 <i>continued...</i>	
Ext. - Window Seal (Replace)	17,515
Total for 2036	<u>\$22,065</u>
No Replacement in 2037	
No Replacement in 2038	
No Replacement in 2039	
Replacement Year 2040	
Security Camera System	7,902
Total for 2040	<u>\$7,902</u>
No Replacement in 2041	
No Replacement in 2042	
No Replacement in 2043	
No Replacement in 2044	
Replacement Year 2045	
Ext. - Wall Surfaces (Prep & Paint)	118,722
Ext. - Window Seal (Test/Repairs)	16,820
Total for 2045	<u>\$135,542</u>
Replacement Year 2046	
Ext. - Awning/Metal (Refinish)	6,114
Ext. - Glass Doors & Windows (Replace)	52,990
Fire - Alarm System (Replace/Upgrade)	2,853
Total for 2046	<u>\$61,957</u>
No Replacement in 2047	
No Replacement in 2048	
No Replacement in 2049	
No Replacement in 2050	
No Replacement in 2051	
Replacement Year 2052	
Security Camera System	11,267
Total for 2052	<u>\$11,267</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		2	\$3,191	\$3,385
Ext. - Glass Doors & Windows (Replace)	1/1/2016	2046	30		22	\$27,655	\$52,990
Ext. - Wall Surfaces (Prep & Paint)	1/1/2016	2025	10	-1	1	\$63,819	\$65,734
Ext. - Window Seal (Replace)	1/1/2016	2036	20		12	\$12,285	\$17,515
Ext. - Window Seal (Test/Repairs)	1/1/2016	2025	10	-1	1	\$9,042	\$9,313
Fire - Alarm System (Replace/Upgrade)	1/1/2016	2031	15		7	\$1,489	\$1,831
Security Camera System	1/1/2016	2028	12		4	\$4,925	\$5,543