



MONTHLY BUDGET ANALYSIS FOR: The Collection - Commercial

Approved budget to be effective on: January 1, 2025

Prepared By: Associa/Mgmt/Budget Committee Board Approved Date: September 11, 2024

	2024 Budget	Actual Monthly Average	CM Proposed 2025 Budget	BOD Proposed 2025 Budget	Approved 2025 Budget
<b>CASH FLOW TO COVER LOAN PAYMENTS</b>					
2800 TOTAL LOAN PAYMENTS	0	0	0	0	0
<b>TOTAL LOAN PAYMENTS</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>REVENUE:</b>					
4000 ASSESSMENT INCOME	5,170	4,953	6,054	5,697	5,697
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	2	1	1	1
<b>TOTAL REVENUES</b>	<b>5,171</b>	<b>4,955</b>	<b>6,055</b>	<b>5,698</b>	<b>5,698</b>
<b>EXPENSES:</b>					
<b>OPERATING EXPENSES:</b>					
5000 ADMINISTRATIVE	634	947	1,468	1,163	1,163
5200 COMMUNICATIONS	0	0	0	0	0
5300 PAYROLL & BENEFITS	0	0	0	0	0
5400 INSURANCE	0	0	0	0	0
6000 UTILITIES	1,495	1,310	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	641	540	641	641	641
6500 REPAIR & MAINTENANCE	65	17	115	115	115
7000 PROFESSIONAL SERVICES	102	0	102	50	50
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	2,234	2,234	2,234	2,234
<b>TOTAL OPERATING EXPENSES:</b>	<b>5171</b>	<b>5048</b>	<b>6055</b>	<b>5698</b>	<b>5698</b>
<b>NET INCOME/LOSS</b>	<b>0</b>	<b>(93)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>RESERVES:</b>					
4905 RESERVES CONTRIBUTION	2,234	2,234	2,234	2,234	2,234
4910 RESERVES INTEREST INCOME	150	84	73	333	333
9800 RESERVE EXPENSES	0	0	6,315	6,315	6,315
<b>RESERVE DEPT - NET INCOME/LOSS</b>	<b>2384</b>	<b>2318</b>	<b>(4008)</b>	<b>(3748)</b>	<b>(3748)</b>

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





# The Collection - Commercial Honolulu, HI



Reserve Study Annual Update  
January 1, 2025

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, 2025. Before estimating the Reserve fund beginning balance for fiscal year 2025, 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 2025 beginning Reserve fund balance will be approximately \$148,397.

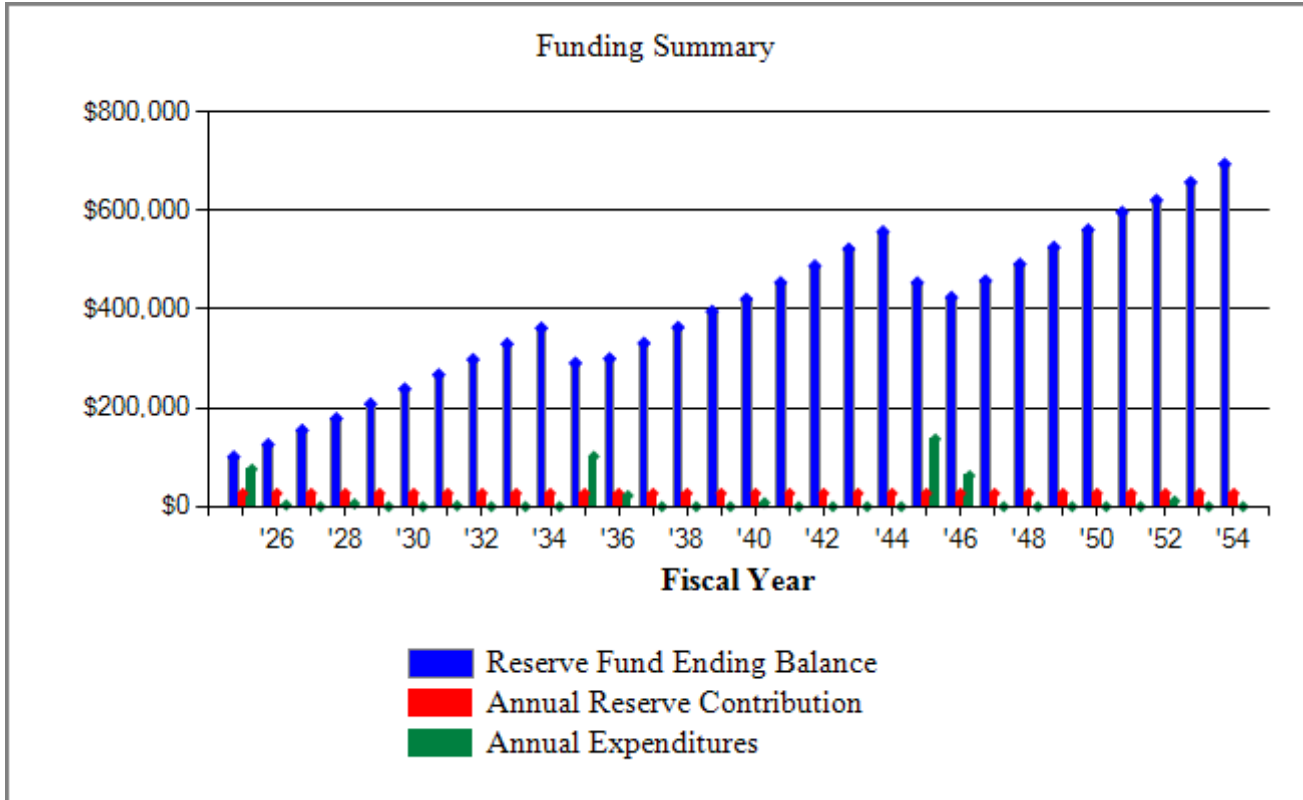
According to the cash flow funding plan the Association will collect \$26,808 in FY 2025. The cash flow funding plan may require future increased annual contributions as reflected in this Reserve Study. The Association's Funding Plan will meet projected future capital expenditure requirements and provides 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 2025 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 2025 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 2025

Reserve Fund Balance:	\$148,397
Annual Contribution:	\$26,808
Reserve Fund Expenditures:	\$75,775
Total Reserve Replacement Cost:	\$127,301
Funding Type:	Cash Flow

Reserve Funding Plan – Next 4 Years

Year	Annual Contribution
2025	\$26,808
2026	\$26,808
2027	\$26,808
2028	\$26,808

Year Built	January 1, 2016
Number of Units	
Inflation	3.0%
Interest	1.5%
Monthly Contribution	\$2,234
Average contribution per unit per month:	-\$2,234

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

Report Date	September 15, 2024
Account Number	757
Budget Year Beginning	January 1, 2025
Budget Year Ending	December 31, 2025

<i>Report Parameters</i>	
Inflation	3.00%
Annual Assessment Increase	0.00%
Interest Rate on Reserve Deposit	1.50%
2025 Beginning Balance	\$148,397

<i>Current Assessment Funding Model Summary of Calculations</i>	
Required Monthly Contribution	\$2,234.00
Average Net Monthly Interest Earned	<u>\$109.64</u>
Total Monthly Allocation to Reserves	\$2,343.64

The Collection - Commercial  
Current Assessment Funding Model Projection

Beginning Balance: \$148,397

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves
2025	127,301	26,808	1,316	75,775	100,746
2026	131,120	26,808	1,689	3,418	125,824
2027	135,054	26,808	2,119		154,752
2028	139,105	26,808	2,472	5,596	178,435
2029	143,278	26,808	2,914		208,157
2030	147,577	26,808	3,363		238,327
2031	152,004	26,808	3,790	1,849	267,077
2032	156,564	26,808	4,253		298,137
2033	161,261	26,808	4,722		329,667
2034	166,099	26,808	5,198		361,673
2035	171,082	26,808	4,143	101,835	290,789
2036	176,214	26,808	4,274	22,279	299,592
2037	181,501	26,808	4,744		331,144
2038	186,946	26,808	5,220		363,172
2039	192,554	26,808	5,704		395,684
2040	198,331	26,808	6,075	7,979	420,588
2041	204,281	26,808	6,571		453,967
2042	210,409	26,808	7,075		487,850
2043	216,721	26,808	7,587		522,245
2044	223,223	26,808	8,107		557,160
2045	229,920	26,808	6,567	136,858	453,677
2046	236,817	26,808	6,126	62,558	424,053
2047	243,922	26,808	6,624		457,484
2048	251,240	26,808	7,128		491,421
2049	258,777	26,808	7,641		525,870
2050	266,540	26,808	8,161		560,839
2051	274,536	26,808	8,689		596,336
2052	282,772	26,808	9,054	11,376	620,822
2053	291,255	26,808	9,595		657,225
2054	299,993	26,808	10,145		694,179

The Collection - Commercial  
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2025	
Ext. - Wall Surfaces (Prep & Paint)	66,372
Ext. - Window Seal (Test/Repairs)	9,403
Total for 2025	<u>\$75,775</u>
Replacement Year 2026	
Ext. - Awning/Metal (Refinish)	3,418
Total for 2026	<u>\$3,418</u>
<i>No Replacement in 2027</i>	
Replacement Year 2028	
Security Camera System	5,596
Total for 2028	<u>\$5,596</u>
<i>No Replacement in 2029</i>	
<i>No Replacement in 2030</i>	
Replacement Year 2031	
Fire - Alarm System (Replace/Upgrade)	1,849
Total for 2031	<u>\$1,849</u>
<i>No Replacement in 2032</i>	
<i>No Replacement in 2033</i>	
<i>No Replacement in 2034</i>	
Replacement Year 2035	
Ext. - Wall Surfaces (Prep & Paint)	89,198
Ext. - Window Seal (Test/Repairs)	12,637
Total for 2035	<u>\$101,835</u>
Replacement Year 2036	
Ext. - Awning/Metal (Refinish)	4,594
Ext. - Window Seal (Replace)	17,686
Total for 2036	<u>\$22,279</u>

The Collection - Commercial  
Annual Expenditure Detail

Description	Expenditures
<i>No Replacement in 2037</i>	
<i>No Replacement in 2038</i>	
<i>No Replacement in 2039</i>	
Replacement Year 2040	
Security Camera System	7,979
Total for 2040	<u>\$7,979</u>
<i>No Replacement in 2041</i>	
<i>No Replacement in 2042</i>	
<i>No Replacement in 2043</i>	
<i>No Replacement in 2044</i>	
Replacement Year 2045	
Ext. - Wall Surfaces (Prep & Paint)	119,875
Ext. - Window Seal (Test/Repairs)	16,983
Total for 2045	<u>\$136,858</u>
Replacement Year 2046	
Ext. - Awning/Metal (Refinish)	6,174
Ext. - Glass Doors & Windows (Replace)	53,504
Fire - Alarm System (Replace/Upgrade)	2,881
Total for 2046	<u>\$62,558</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	11,376
Total for 2052	<u>\$11,376</u>
<i>No Replacement in 2053</i>	

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		1	\$3,319	\$3,418
Ext. - Glass Doors & Windows (Replace)	1/1/2016	2046	30		21	\$28,761	\$53,504
Ext. - Wall Surfaces (Prep & Paint)	1/1/2016	2025	10	-1	0	\$66,372	\$66,372
Ext. - Window Seal (Replace)	1/1/2016	2036	20		11	\$12,776	\$17,686
Ext. - Window Seal (Test/Repairs)	1/1/2016	2025	10	-1	0	\$9,403	\$9,403
Fire - Alarm System (Replace/Upgrade)	1/1/2016	2031	15		6	\$1,548	\$1,849
Security Camera System	1/1/2016	2028	12		3	\$5,121	\$5,596