

# The Collection - Common

## Calendar Year 2020 Operating Budget and Reserve Study

### EXECUTIVE SUMMARY

Prepared By: Debi Balmilero and Hawaiiana Management Company, Ltd on June 26, 2019

Approved by Board of Directors on September 23, 2019

#### PRESENT RESERVE LEVELS

Projected 2019 Ending Reserve Balance		\$410,490
Required End of 2019 Balance to be 100% Funded		\$846,258
Projected End of Year 2019 Percent Funding		48.5%

#### 2020 FULLY FUNDED MAINTENANCE FEES

Required End of Year 2020 Balance to be 100% Funded		\$1,015,454
Year 2020 Reserve Outlays		\$0
Year 2020 Reserve Contribution Required to be 100% Funded		\$604,964
Plus Projected Operating Expense and Loan Payments		\$521,331
Less Other Income		\$49,212
Fully Funded Maintenance Fee Change/Amount	128.1%	\$1,077,083
Management Executive Recommendation	12.0%	\$528,877

#### BOARD APPROVED YEAR 2020 MAINTENANCE FEES

Operating Expenses and Loan Payments		\$521,331
Less Other Income		\$49,212
Maintenance Fee Change/Amount	10.0%	\$519,433
Reserve Contribution / FHA Requirement 10%	9%	\$47,314
Projected Funding Level/Balance at the End of Year 2020	45.08%	\$457,804

Hawaiiana Management Company, Ltd

2020 Monthly Cash Operating Budget For

The Collection - Common

Approved by Board of Directors on September 23, 2019

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DESCRIPTION REVENUE	JAN 2020	FEB 2020	MAR 2020	APR 2020	MAY 2020	JUNE 2020	JULY 2020	AUG 2020	SEPT 2020	OCT 2020	NOV 2020	DEC 2020	ANNUAL TOTAL
MAINTENANCE FEES	43,286	43,286	43,286	43,286	43,286	43,286	43,286	43,286	43,286	43,286	43,286	43,286	519,433
INVESTMENT INTEREST	100	100	100	100	100	100	100	100	100	100	100	100	1,200
CHECKING INTEREST	1	1	1	1	1	1	1	1	1	1	1	1	12
RENTAL AOVO APT 401	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	4,000	48,000
TOTAL REVENUE	47,387	47,387	47,387	47,387	47,387	47,387	47,387	47,387	47,387	47,387	47,387	47,387	568,645

UTILITIES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
TELEPHONE	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	14,400
TOTAL UTILITIES	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	1,200	14,400

CONTRACT SERVICES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
LANDSCAPE	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
TREE TRIMMING	3,029	3,029	3,029								3,029	3,029	15,144
PEST CONTROL	215	215	215	215	215	215	215	215	215	215	215	215	2,580
FIRE ALARM SYSTEM	38	38	38	38	38	38	38	38	38	38	38	38	450
TOTAL CNTRCT SVCS	6,281	6,281	6,281	3,253	3,253	3,253	3,253	3,253	3,253	3,253	6,281	6,281	54,174

MAINTENANCE	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
BUILDING MTCE	500												500
CLEANING SUPPS/EQUIPMENT	53	53	53	53	53	53	53	53	53	53	53	53	636
ELECTRICAL/LIGHTING SUPPLIES	600			600			600			600			2,400
PAINT SUPPLIES	100	100	100	100	100	100	100	100	100	100	100	100	1,200
SECURITY EQUIPMENT	80	80	80	80	80	80	80	80	80	80	80	80	960
MISCL REPRS AND MAT/SUPPLIES	300	300	300	300	300	300	300	300	300	300	300	300	3,600
BLDG MAINT - GOLF CART	100			100			100			100			400
TOTAL MAINTENANCE	1,733	533	533	1,233	533	533	1,233	533	533	1,233	533	533	9,696

Approved by Board of Directors on September 23, 2019

DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL
PROFESSIONAL SVCS	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	2020	TOTAL
ADMIN SUPPLIES & SVCS	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	21,600
AOAO ADMIN EXPS	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	1,215	14,580
OFFICE EQUIP-RENTAL	350	350	350	350	350	350	350	350	350	350	350	350	4,200
EDUCATION EXPENSE	90	90	90	90	90	90	90	90	90	90	90	90	1,080
MANAGEMENT SRVCS	3,907	3,907	3,907	3,907	3,907	3,907	3,907	3,907	3,907	3,907	3,907	3,907	46,882
AUDIT				12,564									12,564
LEGAL FEES GENERAL	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
PROF & ADMIN SVS-ANNUAL MEETING EXPENSES				1,650									1,650
PROFESSIONAL SVCS-WEB HOSTING FEES	2,000												2,000
SOCIAL EVENTS	380	380	380	380	380	380	380	380	380	380	380	380	4,560
TOTAL PROF. SERVICES	11,742	9,742	9,742	23,956	9,742	9,742	9,742	9,742	9,742	9,742	9,742	9,742	133,116

OTHER EXPENSES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
PROPERTY INSURANCE	33,256	33,256	33,256								33,256	33,256	166,278
LIABILITY INSURANCE	3,029	3,029	3,029								3,029	3,029	15,144
D AND O INS	7,125	7,125	7,125								7,125	7,125	35,627
FIDELITY BOND INS	77	77	77								77	77	387
INSURANCE-UMBRELLA	1,424	1,424	1,424								1,424	1,424	7,120
UNIT 401 MTCE FEE & ELECTRICITY	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
ASSOC APT R. P. TAX	1,698						1,698						3,396
STATE GET	495			495			495			495			1,980
TOTAL OTHER EXP.	48,604	46,411	46,411	1,995	1,500	1,500	3,693	1,500	1,500	1,995	46,411	46,411	247,932

TOTAL OP EXPENSE	69,560	64,167	64,167	31,636	16,227	16,227	19,120	16,227	16,227	17,422	64,167	64,167	459,318
LOAN PAYMENTS	5,168	5,168	5,168	5,168	5,168	5,168	5,168	5,168	5,168	5,168	5,168	5,168	62,013
TRANSFER TO RESERVES	-27,341	-21,948	-21,948	10,583	25,992	25,992	23,099	25,992	25,992	24,797	-21,948	-21,948	47,314

THE COLLECTION - COMMON YEAR 2020 RESERVE PROJECTS AS OF SEPTEMBER 23, 2019

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	2020	Reference Year	2019	THE MODEL'S FINDINGS FOR % FUNDING			2019 Deficit	CHANGE	CONTRIB	FEES	
Final Plan Year	2039			Recommended Reserve Funding		100%	435,768	128%	604,964	1,077,083	
2019 Maintenance Fees	472,212	2020 Maint Fees	519,433	Target Reserve Funding Level		50%	12,639	20.57%	97,237	569,356	
2019 Other Income	2,204	2020 Othr Inc	49,212	Minimum Reserve Funding Level		50%	12,639	21%	159,250	569,356	
2019 Operating Expenses	-493,056	2020 Exp	-521,331	EOY 2020 Funding % @ Approved Lev		45.08%		10%	47,314	519,433	
2019 Reserve Contribution	-18,640	2020 Contribution	47,314	Condition Codes	Source Codes			Source Codes			
Projected Reserves At Start of 2020	410,490	Target Funding L	50%	EXCELNT	E	Contractor Proposal	1	Cost at Similar Project		5	
Projected Reserve % at Start of 2020	48.5%	Tgt Ann Contrib	147,225	GOOD	G	Contractor Estimate	2	Statistical Guideline		6	
Minimum Inflation	2.0%	Req Contrib-Tgt	159,864	FAIR	F	Engineer/Arch Estimate	3	Inflate First Year?		no	
Projected Savings Interest	1.5%	App. % Change	10.0%	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
Asphalt - Seal/Repair		5	2016			2021	9,994		5,996	5,996	
RM Unit Remodel		6	2016			2022	15,375		7,688	7,688	
Office Equipment - Replace/Upgrade	2	4	2016			2022	15,375		7,688	7,688	
Gate Operators - Replace		8	2016			2024	17,835		6,688	6,688	
Parking Deck - Seal/Repair	-1	10	2016			2025	219,414		73,138	73,138	
Dom. Water Booster Pumps -Replace		10	2016			2026	33,825		10,148	10,148	
Fob Entry System - Replace		10	2016			2026	26,650		7,995	7,995	
Intake Fan - Replace		10	2016			2026	23,063		6,919	6,919	
Emergency Lights - Replace		10	2016			2026	17,425		5,228	5,228	
Roll Up Door - Replace		10	2016			2026	16,400		4,920	4,920	
Office - Remodel		10	2016			2026	12,813		3,844	3,844	
Exterior Concrete - Paint PH 1	1	10	2016			2027	640,625		174,716	174,716	
Exterior Concrete - Paint PH 2	2	10	2016			2028	640,625		160,156	95,524	64,632
Security Camera System - Replace/Upgrade	1	11	2016			2028	143,500		35,875		35,875
Electric Vehicle Charging - Repair/Replacement		12	2016			2028	56,375		14,094		14,094
Dom. Water Booster Pumps -Replace		15	2016			2031	384,375		76,875		76,875
Landscaping - Restoration		15	2016			2031	89,688		17,938		17,938
Generator - Rebuild		15	2016			2031	61,500		12,300		12,300
Office Furniture - Replace		15	2016			2031	28,700		5,740		5,740
Exhaust Fan - Replace		15	2016			2031	11,070		2,214		2,214
Pressure Fan - Replace		15	2016			2031	7,688		1,538		1,538
Employee Break Room - Refurbish		15	2016			2031	7,688		1,538		1,538
RM Unit 401 Balloon Payment		15	2017			2032	556,342		74,179		74,179
Parking Deck - Resurface		20	2016			2036	368,616		55,292		55,292
Metal Gates - Replace		20	2016			2036	92,250		13,838		13,838
Metal Panel - Replace		25	2016			2041	309,422		37,131		37,131
Fire Pump - Replace		25	2016			2041	56,375		6,765		6,765
Pole Lights - Replace		25	2016			2041	23,575		2,829		2,829
Asphalt - Replace		30	2016			2046	129,919		12,992		12,992
2019 End Yr Totals							4,016,502		846,258	410,490	435,768

### The Collection - Common

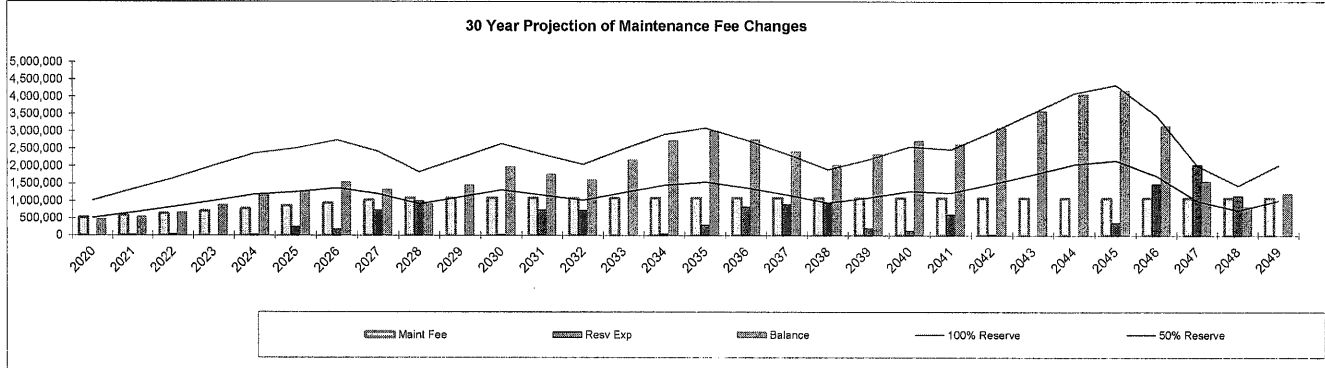
#### Board Approved 2020 Cash Flow Plan

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%

Assumed Savings Interest Rate: 1.5%



#### Contingency Reserve Fund

\$0

CY	Starting	-Reserve	-Loan	-Operating	+Maint.	+Other	=Intern	+Interest	=Ending	% Maint. Fee	Net Reserve	Percent
Year	Balance	Expense	Payments	Expenses	Fees	Income	Bal	Income	Balance	Change	Contrib.	Funded
2020	410,490	0	62,013	459,318	519,433	49,212	457,804	Included	457,804	10.0%	47,314	45%
2021	457,804	10,194	62,013	468,505	576,571	48,960	542,623	7,503	550,126	11.0%	84,819	41%
2022	550,126	31,992	62,013	477,875	639,994	49,939	668,179	9,137	677,316	11.0%	118,053	41%
2023	677,316	0	62,013	487,432	710,393	50,938	889,202	11,749	900,951	11.0%	211,885	45%
2024	900,951	19,305	62,013	497,181	788,536	51,957	1,162,944	15,479	1,178,424	11.0%	261,994	49%
2025	1,178,424	242,251	62,013	507,124	867,390	52,996	1,287,421	18,494	1,305,914	10.0%	108,997	52%
2026	1,305,914	175,169	62,013	517,267	945,455	54,056	1,550,976	21,427	1,572,403	9.0%	245,061	57%
2027	1,572,403	735,877	62,013	527,612	1,030,546	55,137	1,332,583	21,787	1,354,370	9.0%	(239,820)	56%
2028	1,354,370	1,002,793	62,013	538,164	1,092,379	56,240	900,017	16,908	916,925	6.0%	(454,353)	50%
2029	916,925	0	62,013	548,928	1,092,379	57,364	1,455,727	17,795	1,473,522	0.0%	538,802	65%
2030	1,473,522	18,742	62,013	559,906	1,092,379	58,512	1,983,751	25,930	2,009,680	0.0%	510,229	76%
2031	2,009,680	746,899	62,013	571,104	1,092,379	59,682	1,781,724	28,436	1,810,160	0.0%	(227,956)	77%
2032	1,810,160	728,195	41,342	582,527	1,092,379	60,876	1,611,350	25,661	1,637,011	0.0%	(198,810)	79%
2033	1,637,011	0	0	594,177	1,092,379	62,093	2,197,306	28,757	2,226,063	0.0%	560,295	89%
2034	2,226,063	40,574	0	606,061	1,092,379	63,335	2,735,142	37,209	2,772,351	0.0%	509,079	95%
2035	2,772,351	295,303	0	618,182	1,092,379	64,602	3,015,847	43,411	3,059,258	0.0%	243,495	98%
2036	3,059,258	825,092	0	630,545	1,092,379	65,894	2,761,893	43,659	2,805,552	0.0%	(297,365)	101%
2037	2,805,552	897,030	0	643,156	1,092,379	67,212	2,424,955	39,229	2,464,184	0.0%	(380,596)	104%
2038	2,464,184	936,929	0	656,019	1,092,379	68,556	2,032,170	33,723	2,065,893	0.0%	(432,014)	108%
2039	2,065,893	209,052	0	669,140	1,092,379	69,927	2,350,006	33,119	2,383,126	0.0%	284,114	108%
2040	2,383,126	133,118	0	682,523	1,092,379	71,325	2,731,189	38,357	2,769,546	0.0%	348,063	108%
2041	2,769,546	605,306	0	696,173	1,092,379	72,752	2,633,198	40,521	2,673,718	0.0%	(136,349)	107%
2042	2,673,718	23,769	0	710,097	1,092,379	74,207	3,106,438	43,351	3,149,789	0.0%	432,720	105%
2043	3,149,789	0	0	724,299	1,092,379	75,691	3,593,561	50,575	3,644,136	0.0%	443,771	103%
2044	3,644,136	0	0	738,784	1,092,379	77,205	4,074,935	57,893	4,132,828	0.0%	430,799	100%
2045	4,132,828	359,973	0	753,560	1,092,379	78,749	4,190,422	62,424	4,252,847	0.0%	57,594	98%
2046	4,252,847	1,491,931	0	768,631	1,092,379	80,324	3,164,987	55,634	3,220,621	0.0%	(1,087,860)	93%
2047	3,220,621	2,043,087	0	784,004	1,092,379	81,931	1,567,839	35,913	1,603,752	0.0%	(1,652,782)	79%
2048	1,603,752	1,146,394	0	799,684	1,092,379	83,569	833,622	18,280	851,902	0.0%	(770,130)	58%
2049	851,902	0	0	815,678	1,092,379	85,241	1,213,843	15,493	1,229,337	0.0%	361,941	60%