

# The Collection - Common

## 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		\$185,144
Required End of 2021 Balance to be 100% Funded		\$406,803
Projected End of Year 2021 Percent Funding		45.5%

#### 2022 FULLY FUNDED MAINTENANCE FEES

Required End of Year 2022 Balance to be 100% Funded		\$414,766
Year 2022 Reserve Outlays		\$0
Year 2022 Reserve Contribution Required to be 100% Funded		\$229,622
Plus Projected Operating Expense and Loan Payments		\$635,021
Less Other Income		\$57,012
Fully Funded Maintenance Fee Change/Amount	39.4%	\$807,631
Management Executive Recommendation	3.5%	\$599,443

#### BOARD APPROVED YEAR 2022 MAINTENANCE FEES

Operating Expenses and Loan Payments		\$635,021
Less Other Income		\$57,012
Maintenance Fee Change/Amount	3.5%	\$629,115
Reserve Contribution / FHA Requirement 10% of Maint fees	9%	\$51,106
Projected Funding Level/Balance at the End of Year 2022	56.96%	\$236,249

Hawaiiana Management Company, Ltd

2022 Monthly Cash Operating Budget For

The Collection - Common

Approved by Board of Directors on August 17, 2021

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DESCRIPTION	JAN 2022	FEB 2022	MAR 2022	APR 2022	MAY 2022	JUNE 2022	JULY 2022	AUG 2022	SEPT 2022	OCT 2022	NOV 2022	DEC 2022	ANNUAL TOTAL
REVENUE													
MAINTENANCE FEES	49,954	49,954	49,954	49,954	49,954	49,954	49,954	49,954	49,954	49,954	49,954	49,954	599,443
INVESTMENT INTEREST	500	500	500	500	500	500	500	500	500	500	500	500	6,000
CHECKING INTEREST	1	1	1	1	1	1	1	1	1	1	1	1	12
RENTAL AOOU UNIT 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
STORAGE LOCKER RENTAL	250	250	250	250	250	250	250	250	250	250	250	250	3,000
TOTAL REVENUE	54,705	54,705	54,705	54,705	54,705	54,705	54,705	54,705	54,705	54,705	54,705	54,705	656,455

UTILITIES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
TELEPHONE	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	16,800
TOTAL UTILITIES	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	1,400	16,800

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	1,850			1,850			1,850			1,850			7,400
PEST CONTROL	215	215	215	215	215	215	215	215	215	215	215	215	2,580
SECURITY EQUIPMENT	1,000			1,000			1,000			1,000			4,000
BACKFLOW TEST	356												356
TOTAL CNTRCT SVCS	6,421	3,215	3,215	6,065	3,215	3,215	6,065	3,215	3,215	6,065	3,215	3,215	50,336

MAINTENANCE	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
BUILDING MAINTENANCE	300	300	300	300	300	300	300	300	300	300	300	300	3,600
CLEANING SUPPS/EQUIPMENT	100	100	100	100	100	100	100	100	100	100	100	100	1,200
ELECTRICAL/LIGHTING SUPPLIES	200			200			200			200			800
MISCL REPRS AND MAT/SUPPLIES	70	70	70	70	70	70	70	70	70	70	70	70	840
TOTAL MAINTENANCE	670	470	470	670	470	470	670	470	470	670	470	470	6,440

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DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL
PROFESSIONAL SVCS	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	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	550	550	550	550	550	550	550	550	550	550	550	550	6,600
OFFICE EQUIP-RENTAL	390	390	390	390	390	390	390	390	390	390	390	390	4,680
EDUCATION EXPENSE	300	300	300	300	300	300	300	300	300	300	300	300	3,600
MANAGEMENT SVCS	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				12,600									12,600
LEGAL FEES GENERAL	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
CONSULTING FEES						4,000							4,000
ANNUAL MEETING EXPENSES				600									600
WEB HOSTING/TECH SERVICES	450	450	450	450	450	450	450	450	450	450	450	450	5,400
SOCIAL EVENTS	500	500	500	500	500	500	500	500	500	500	500	500	6,000
TOTAL PROF. SERVICES	9,397	9,397	9,397	22,597	9,397	13,397	9,397	9,397	9,397	9,397	9,397	9,397	129,962

PAYROLL & BENEFITS	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
PAYROLL-BONUS I												15,000	15,000
PAYROLL-BONUS II												15,000	15,000
TOTAL P/R & BENEFITS												30,000	30,000

OTHER EXPENSES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
PROPERTY INSURANCE	46,860	46,860	46,860								46,860	46,860	234,300
D AND O INS	6,465	6,465	6,465								6,465	6,465	32,325
INSURANCE-UMBRELLA	2,485	2,485	2,485								2,485	2,485	12,425
INSURANCE - HO-6 - UNIT 401				220									220
MISCELLANEOUS EXPENSE	30	30	30	30	30	30	30	30	30	30	30	30	360
UNIT 401 MAINTENANCE FEES	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
UNIT 401 RENTAL EXPENSE	525	525	525	525	525	525	525	525	525	525	525	525	6,300
ASSOC APT R. P. TAX		3,600						3,600					7,200
STATE GET	1,200			1,200			1,200			1,200			4,800
STATE INCOME TAXES					150								150
FEDERAL INCOME TAXES	500						500						1,000
TOTAL OTHER EXP.	59,565	61,465	57,865	3,475	2,205	2,055	3,755	5,655	2,055	3,255	57,865	57,865	317,080

TOTAL OP EXPENSE	77,453	75,947	72,347	34,207	16,687	20,537	21,287	20,137	16,537	20,787	72,347	102,347	550,618
LOAN PAYMENTS	4,561	4,561	4,561	4,561	4,561	4,561	4,561	4,561	4,561	4,561	4,561	4,561	54,732
TRANSFER TO RESERVES	-27,309	-25,803	-22,203	15,937	33,457	29,607	28,857	30,007	33,607	29,357	-22,203	-52,203	51,106

THE COLLECTION - COMMON 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%	221,659	39%	229,622	807,631		
2021 Maintenance Fees	579,172	2022 Maint Fees	599,443	Target Reserve Funding Level	50%	18,258	3.64%	22,239	600,248		
2021 Other Income	85,272	2022 Othr Inc	57,012	Minimum Reserve Funding Level	50%	18,258	4%	106,642	600,248		
2021 Operating Expenses	-562,461	2022 Exp	-635,021	EOY 2022 Funding % @ Approved Lev	49.81%		3%	21,435	599,443		
2021 Reserve Contribution	101,983	2022 Contribution	21,435	Condition Codes	Source Codes		Source Codes				
Projected Reserves At Start of 2022	185,144	Target Funding L	50%	EXCELNT	E	Contractor Proposal	1	Cost at Similar Project	5		
Projected Reserve % at Start of 2022	45.5%	Tgt Ann Contrib	34,955	GOOD	G	Contractor Estimate	2	Statistical Guideline	6		
Minimum Inflation	2.1%	Req Contrib-Tgt	53,213	FAIR	F	Engineer/Arch Estimate	3	Inflate First Year?	Yes		
Projected Savings Interest	1.0%	App. % Change	3.5%	POOR	P	Cost When Last Done	4				
CAPITAL INVENTORY											
ITEM	ADJUSTMENT	NORM LIFE	DONE LAST	LAST COST	CO ND	NEXT DUE DATE	COST NOW	COST SRC	FUNDING RQMNT	EOY RES	DEFICIT
Asphalt - Seal/Repair	2	5	2016			2023	9,927		8,509	8,509	
Parking Concrete - Seal & Stripe		8	2016			2024	45,585		34,189	34,189	
RM Unit Renovate		8	2016			2024	10,130		7,598	7,598	
Exterior Trellis ( Metal) - Refinish		9	2016			2025	30,390		20,260	20,260	
Office Equipment - Replace/Upgrade		4	2021	3463.31		2025	10,130		2,533	2,533	
Emergency Lights		10	2016			2026	30,390		18,234	18,234	
Fob Entry Security System		10	2016			2026	25,001		15,001	15,001	
Roll Up Door		10	2016			2026	15,195		9,117	9,117	
Office - Remodel		10	2016			2026	12,663		7,598	7,598	
Electric Vehicle Charging Stations (5)		12	2016			2028	47,105		23,553	23,553	
Security Camera System		12	2016			2028	37,519		18,759	18,759	
Pressure Fans - Exhaust & Intake (3)		15	2016			2031	27,351		10,940	10,940	
Office Furniture		15	2016			2031	20,260		8,104	8,104	
Fuel Pump		15	2016			2031	11,295		4,518	751	3,767
Employee Break Room - Refurbish		15	2016			2031	6,078		2,431		2,431
Landscaping Maintenance		16	2016			2032	91,170		34,189		34,189
Pump Station - Domestic Booster		16	2016			2032	36,164		13,562		13,562
Motor 200 HP ODP		18	2016			2034	53,183		17,728		17,728
Motor 3 HP ODP		18	2016			2034	1,520		507		507
VFDs Motor 25 HP - Replace (3)		20	2016			2036	37,684		11,305		11,305
VFDs Motor 7.5 HP - Replace (3)		20	2016			2036	22,793		6,838		6,838
Bollard Fixtures (25)		20	2016			2036	18,994		5,698		5,698
Exhaust Fans 501 to 1,000 CFM (5)		22	2016			2038	7,598		2,072		2,072
Exhaust Fan 50 to 500 CFM		22	2016			2038	1,216		332		332
Fire Pump 200 HP - Replace		25	2016			2041	126,625		30,390		30,390
Fire Pump Controller - Replace		25	2016			2041	35,455		8,509		8,509
Pole Lights		25	2016			2041	24,312		5,835		5,835
Fuel Storage Tank 276-500 gals		25	2016			2041	5,572		1,337		1,337
Irrigation System - Replace		26	2016			2042	78,001		18,000		18,000
Generator - Diesel 305-400 KW - Replace		30	2016			2046	121,560		24,312		24,312
Asphalt - Replace		30	2016			2046	113,456		22,691		22,691
Transfer Switch 800 Amps		30	2016			2046	60,780		12,156		12,156
2021 End Yr Totals							1,175,102		406,803	185,144	221,659

The Collection - Common

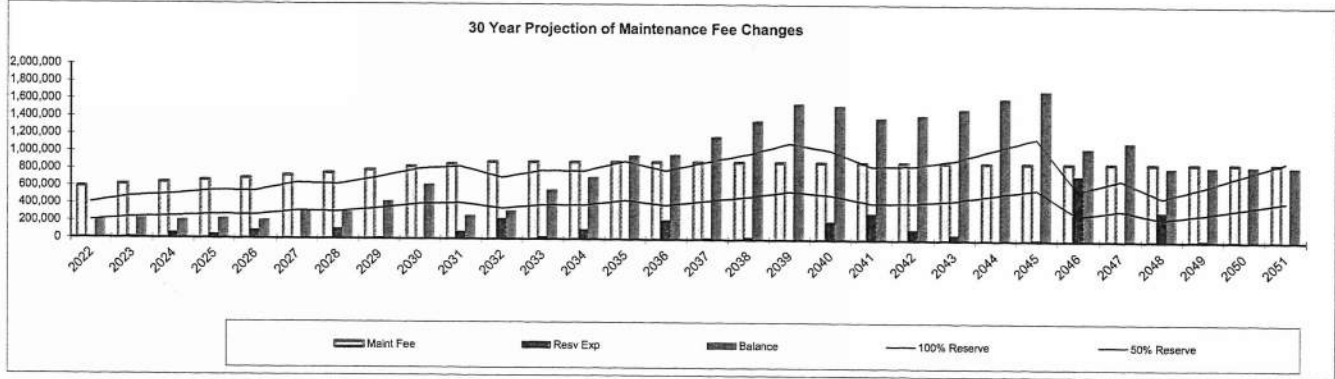
Board Approved 2022 Cash Flow Plan

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	185,144	0	84,403	550,618	599,443	57,012	206,578	Included	206,578	3.5%	21,435	50%
2023	206,578	10,348	84,403	562,181	623,421	52,083	225,151	2,159	227,309	4.0%	18,572	47%
2024	227,309	59,300	84,403	573,986	648,358	53,177	211,155	2,192	213,347	4.0%	(16,155)	42%
2025	213,347	44,032	84,403	586,040	674,292	54,294	227,458	2,204	229,662	4.0%	14,111	41%
2026	229,662	92,366	84,403	598,347	701,264	55,434	211,243	2,205	213,448	4.0%	(18,418)	39%
2027	213,448	0	84,403	610,912	729,314	56,598	304,045	2,587	306,632	4.0%	90,597	48%
2028	306,632	109,356	84,403	623,741	758,487	57,787	305,405	3,060	308,465	4.0%	(1,227)	49%
2029	308,465	11,962	84,403	636,840	796,411	59,000	430,671	3,696	434,367	5.0%	122,206	61%
2030	434,367	0	56,269	650,214	836,232	60,239	624,355	5,294	629,649	5.0%	189,988	77%
2031	629,649	79,995	550,000	663,868	869,681	61,504	266,971	4,483	271,454	4.0%	(362,678)	32%
2032	271,454	230,066	0	677,809	895,771	62,796	322,146	2,968	325,114	3.0%	50,692	45%
2033	325,114	25,737	0	692,043	895,771	64,114	567,219	4,462	571,681	0.0%	242,106	72%
2034	571,681	111,487	0	706,576	895,771	65,461	714,850	6,433	721,283	0.0%	143,169	91%
2035	721,283	0	0	721,414	895,771	66,835	962,475	8,419	970,894	0.0%	241,193	107%
2036	970,894	222,245	0	736,564	895,771	68,239	976,096	9,735	985,831	0.0%	5,201	124%
2037	985,831	14,126	0	752,032	895,771	69,672	1,185,116	10,855	1,195,971	0.0%	199,286	133%
2038	1,195,971	26,682	0	767,824	895,771	71,135	1,368,371	12,822	1,381,193	0.0%	172,400	140%
2039	1,381,193	0	0	783,949	895,771	72,629	1,565,644	14,734	1,580,378	0.0%	184,452	142%
2040	1,580,378	208,289	0	800,412	895,771	74,154	1,541,603	15,610	1,557,213	0.0%	(38,775)	151%
2041	1,557,213	306,244	0	817,220	895,771	75,711	1,405,232	14,812	1,420,044	0.0%	(151,982)	166%
2042	1,420,044	120,682	0	834,382	895,771	77,301	1,438,053	14,290	1,452,343	0.0%	18,009	169%
2043	1,452,343	63,686	0	851,904	895,771	78,925	1,511,449	14,819	1,526,268	0.0%	59,106	165%
2044	1,526,268	0	0	869,794	895,771	80,582	1,632,828	15,795	1,648,623	0.0%	106,560	156%
2045	1,648,623	16,681	0	888,060	895,771	82,274	1,721,928	16,853	1,738,781	0.0%	73,305	147%
2046	1,738,781	746,545	0	906,709	895,771	84,002	1,065,301	14,020	1,079,321	0.0%	(673,480)	187%
2047	1,079,321	0	0	925,750	895,771	85,766	1,135,109	11,072	1,146,181	0.0%	55,788	161%
2048	1,146,181	338,220	0	945,191	895,771	87,567	846,109	9,961	856,070	0.0%	(300,072)	167%
2049	856,070	18,127	0	965,040	895,771	89,406	858,081	8,571	866,652	0.0%	2,011	137%
2050	866,652	0	0	985,305	895,771	91,284	868,402	8,675	877,077	0.0%	1,750	114%
2051	877,077	0	0	1,005,997	895,771	93,201	860,052	8,686	868,738	0.0%	(17,025)	94%