



MONTHLY BUDGET ANALYSIS FOR: The Collection-Common

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	4,561	4,561	4,561
TOTAL LOAN PAYMENTS	0	0	4,561	4,561	4,561
REVENUE:					
4000 ASSESSMENT INCOME	49,954	49,400	59,014	53,950	52,951
4200 USER FEE INCOME	0	199	0	0	0
4400 RENTAL INCOME	4,250	4,000	4,300	4,300	4,300
4500 FOOD & BEVERAGE INCOME	0	0	0	0	0
4700 COLLECTIONS INCOME	0	35	0	0	0
4800 OTHER INCOME	0	66	0	0	0
4900 INVESTMENT INCOME	1	1	1	1	1
TOTAL REVENUES	54,205	53,701	63,315	58,251	57,252
EXPENSES:					
OPERATING EXPENSES:					
5000 ADMINISTRATIVE	8,131	8,739	5,579	5,647	5,647
5200 COMMUNICATIONS	500	152	500	500	500
5300 PAYROLL & BENEFITS	2,500	0	2,500	2,500	2,500
5400 INSURANCE	23,273	22,874	27,585	27,585	27,585
6000 UTILITIES	1,400	1,579	1,400	1,400	1,400
6100 LANDSCAPING	3,616	3,289	3,390	3,390	3,390
6200 IRRIGATION	0	0	0	0	0
6300 OPERATIONS	29	0	29	29	29
6400 CONTRACTED SERVICES	549	327	559	559	559
6500 REPAIR & MAINTENANCE	537	1,400	806	706	706
7000 PROFESSIONAL SERVICES	6,791	8,852	7,358	7,024	7,024
8100 SHARED EXPENSES	0	0	0	0	0
8900 ASSOCIATION OWNED UNIT EXPENSES	2,025	434	2,275	2,275	2,275
9000 TAXES	1,097	856	1,097	1,097	1,097
9100 OTHER EXPENSES	4,259	0	7,500	2,802	1,803
TOTAL OPERATING EXPENSES:	54707	48504	63315	58251	57252
NET INCOME/LOSS	(502)	5197	0	0	0
RESERVES:					
4905 RESERVES CONTRIBUTION	4,259	0	7,500	2,802	1,803
4910 RESERVES INTEREST INCOME	500	41	324	299	293
9800 RESERVE EXPENSES	0	669	2,036	2,036	2,036
RESERVE DEPT - NET INCOME/LOSS	4759	(629)	5788	1065	60

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



The Collection - Common Honolulu, HI



Reserve Study Annual Update January 1, 2023

Associa Hawaii Reserve Study Division

Pacific Guardian Center - Mauka Tower
737 Bishop Street #3100, Honolulu, HI 96813
reserves@associahawaii.com Phone: 808-836-0911

Disclosure Statement

A Reserve Study Annual Update was prepared using the cash flow method of analysis for The Collection - Common 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 \$363,306.

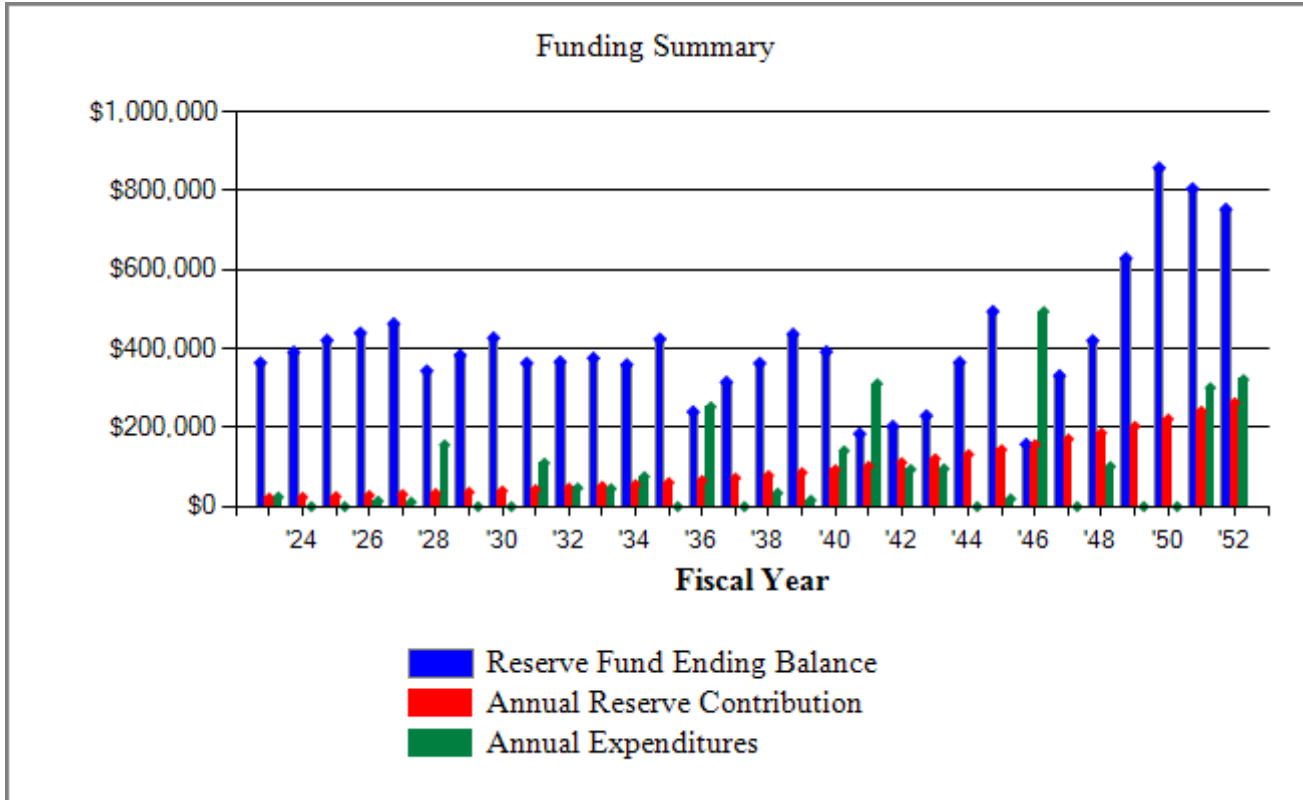
According to the cash flow funding plan the Association will collect \$21,636 in FY 2023. The cash flow funding plan may require future increased annual contributions as reflected in this Reserve Study. The Association's Funding Plan will meet projected future capital expenditure requirements and provides 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 - Common 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 - Common
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:	\$363,306
Annual Contribution:	\$21,636
Reserve Fund Expenditures:	\$24,427
Total Reserve Replacement Cost:	\$1,056,895
Funding Type:	Cash Flow

Reserve Funding Plan – Next 4 Years

Year	Annual Contribution
2023	\$21,636
2024	\$23,583
2025	\$25,706
2026	\$28,019

Year Built	January 1, 2016
Number of Units	456
Inflation	3.0%
Interest	1.0%
Monthly Contribution	\$1,803
Average contribution per unit per month: \$4	

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

Report Date	July 10, 2022
Account Number	757
Budget Year Beginning	January 1, 2023
Budget Year Ending	December 31, 2023
Total Units	456

<i>Report Parameters</i>	
Inflation	3.00%
Interest Rate on Reserve Deposit	1.00%
2023 Beginning Balance	\$363,306

<i>Current Assessment Funding Model Summary of Calculations</i>	
Required Monthly Contribution	\$1,803.00
<i>\$3.95 per unit monthly</i>	
Average Net Monthly Interest Earned	<u>\$293.49</u>
Total Monthly Allocation to Reserves	\$2,096.49
<i>\$4.60 per unit monthly</i>	

The Collection - Common
Current Assessment Funding Model Projection

Beginning Balance: \$363,306

Year	Current Cost	Annual Contribution	Annual Interest	Annual Expenditures	Projected Ending Reserves
2023	1,056,895	21,636	3,522	24,427	364,037
2024	1,086,037	23,583	3,785		391,405
2025	1,116,027	25,706	4,072		421,183
2026	1,146,890	28,019	4,244	13,837	439,609
2027	1,178,652	30,541	4,468	11,401	463,217
2028	1,211,338	33,290	3,266	156,106	343,666
2029	1,244,978	36,286	3,650		383,601
2030	1,279,599	39,551	4,069		427,221
2031	1,315,229	43,111	3,418	110,263	363,488
2032	1,351,901	46,991	3,433	47,186	366,726
2033	1,389,643	51,220	3,508	45,202	376,253
2034	1,428,488	55,830	3,322	75,722	359,684
2035	1,468,469	60,855	3,944		424,483
2036	1,509,619	66,332	2,085	252,785	240,115
2037	1,551,974	72,302	2,805		315,222
2038	1,595,568	78,809	3,252	34,103	363,180
2039	1,640,439	85,902	3,952	16,256	436,777
2040	1,686,626	93,633	3,476	141,421	392,465
2041	1,734,166	102,060	1,370	311,285	184,610
2042	1,783,100	111,245	1,512	94,234	203,133
2043	1,833,470	121,257	1,737	95,827	230,300
2044	1,885,319	132,170	3,032		365,502
2045	1,938,690	144,065	4,260	19,410	494,417
2046	1,993,629	157,031	856	494,155	158,148
2047	2,050,182	171,164	2,519		331,831
2048	2,108,397	186,569	3,328	101,428	420,301
2049	2,168,325	203,360	5,327		628,988
2050	2,230,016	221,663	7,523		858,174
2051	2,293,522	241,612	6,907	301,297	805,396
2052	2,358,897	263,357	6,290	321,693	753,350

The Collection - Common
Annual Expenditure Detail

Description	Expenditures
Replacement Year 2023	
Electrical Evaluation	10,000
Generator - Load Test/Repairs	4,500
Service Lane Asphalt - Seal/Repair	9,927
Total for 2023	<u>\$24,427</u>
<i>No Replacement in 2024</i>	
<i>No Replacement in 2025</i>	
Replacement Year 2026	
Office - Remodel	13,837
Total for 2026	<u>\$13,837</u>
Replacement Year 2027	
Office Equipment - Replace/Upgrade	11,401
Total for 2027	<u>\$11,401</u>
Replacement Year 2028	
Electric Vehicle Charging Stations (2)	23,185
Exterior Trellis (Metal) - Refinish	35,230
Fob Entry Security System	26,275
Generator - Load Test/Repairs	5,217
RM Unit - Renovate	11,743
Security Camera System	43,495
Service Lane Asphalt - Seal/Repair	10,960
Total for 2028	<u>\$156,106</u>
<i>No Replacement in 2029</i>	
<i>No Replacement in 2030</i>	
Replacement Year 2031	
Emergency Lights	31,669
Employee Break Room - Refurbish	7,699
Fuel Pump	14,308
Office Furniture	21,939

The Collection - Common
Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 2031 continued...</i>	
Pressure Fans - Exhaust & Intake	34,647
Total for 2031	<u>\$110,263</u>
Replacement Year 2032	
Pump Station - Domestic Booster	47,186
Total for 2032	<u>\$47,186</u>
Replacement Year 2033	
Electrical Evaluation	13,439
Generator - Load Test/Repairs	6,048
Office Equipment - Replace/Upgrade	13,614
Service Lane Asphalt - Seal/Repair	12,101
Total for 2033	<u>\$45,202</u>
Replacement Year 2034	
Motor 200 HP ODP	73,618
Motor 3 HP ODP	2,104
Total for 2034	<u>\$75,722</u>
<i>No Replacement in 2035</i>	
Replacement Year 2036	
Bollard Fixtures (25)	27,893
Landscaping Maintenance	117,483
Office - Remodel	18,596
VHDs Motor 25 HP - Replace (3)	55,340
VHDs Motor 7.5 HP - Replace (3)	33,472
Total for 2036	<u>\$252,785</u>
<i>No Replacement in 2037</i>	
Replacement Year 2038	
Exhaust Fan 50 to 500 CFM	1,894
Exhaust Fans 501 to 1,000 CFM (5)	11,837

The Collection - Common
Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 2038 continued...</i>	
Generator - Load Test/Repairs	7,011
Service Lane Asphalt - Seal/Repair	13,360
Total for 2038	<u>\$34,103</u>
Replacement Year 2039	
Office Equipment - Replace/Upgrade	16,256
Total for 2039	<u>\$16,256</u>
Replacement Year 2040	
Electric Vehicle Charging Stations (2)	33,057
Fob Entry Security System	29,608
RM Unit - Renovate	16,743
Security Camera System	62,013
Total for 2040	<u>\$141,421</u>
Replacement Year 2041	
Fire Pump 200 HP - Replace	215,571
Fire Pump Controller - Replace	60,360
Fuel Storage Tank 276-500 gals	9,486
Roll Up Door	25,868
Total for 2041	<u>\$311,285</u>
Replacement Year 2042	
Irrigation System - Replace	94,234
Total for 2042	<u>\$94,234</u>
Replacement Year 2043	
Electrical Evaluation	18,061
Exterior Trellis (Metal) - Refinish	54,888
Generator - Load Test/Repairs	8,127
Service Lane Asphalt - Seal/Repair	14,751
Total for 2043	<u>\$95,827</u>

The Collection - Common
Annual Expenditure Detail

Description	Expenditures
<i>No Replacement in 2044</i>	
Replacement Year 2045	
Office Equipment - Replace/Upgrade	19,410
Total for 2045	<u>\$19,410</u>
Replacement Year 2046	
Emergency Lights	49,340
Employee Break Room - Refurbish	11,995
Fuel Pump	22,292
Office - Remodel	24,992
Office Furniture	25,470
Pole Lights	47,982
Pressure Fans - Exhaust & Intake	53,980
Service Lane Asphalt - Replace	138,151
Transfer Switch 800 Amps	119,955
Total for 2046	<u>\$494,155</u>
<i>No Replacement in 2047</i>	
Replacement Year 2048	
Generator - Load Test/Repairs	9,422
Pump Station - Domestic Booster	75,719
Service Lane Asphalt - Seal/Repair	16,286
Total for 2048	<u>\$101,428</u>
<i>No Replacement in 2049</i>	
<i>No Replacement in 2050</i>	
Replacement Year 2051	
Generator - Replace	278,120
Office Equipment - Replace/Upgrade	23,177
Total for 2051	<u>\$301,297</u>
Replacement Year 2052	
Electric Vehicle Charging Stations (2)	47,131

The Collection - Common
Annual Expenditure Detail

Description	Expenditures
<i>Replacement Year 2052 continued...</i>	
Fob Entry Security System	33,363
Motor 200 HP ODP	125,329
Motor 3 HP ODP	3,582
RM Unit - Renovate	23,872
Security Camera System	88,416
Total for 2052	<u>\$321,693</u>

The Collection - Common
Component Summary

Description	Date In Service	Replacement Year	Useful Life	Adjustment	Remaining Life	Current Cost	Future Cost
Bollard Fixtures (25)	1/1/2016	2036	20		13	\$18,994	\$27,893
Electric Vehicle Charging Stations (2)	1/1/2016	2028	12		5	\$20,000	\$23,185
Electrical Evaluation	1/1/2016	2023	10	-3	0	\$10,000	\$10,000
Emergency Lights	1/1/2016	2031	15		8	\$25,000	\$31,669
Employee Break Room - Refurbish	1/1/2016	2031	15		8	\$6,078	\$7,699
Exhaust Fan 50 to 500 CFM	1/1/2016	2038	22		15	\$1,216	\$1,894
Exhaust Fans 501 to 1,000 CFM (5)	1/1/2016	2038	22		15	\$7,598	\$11,837
Exterior Trellis (Metal) - Refinish	1/1/2016	2028	15	-3	5	\$30,390	\$35,230
Fire Pump 200 HP - Replace	1/1/2016	2041	25		18	\$126,625	\$215,571
Fire Pump Controller - Replace	1/1/2016	2041	25		18	\$35,455	\$60,360
Fob Entry Security System	1/1/2016	2028	12		5	\$25,000	\$26,275
Fuel Pump	1/1/2016	2031	15		8	\$11,295	\$14,308
Fuel Storage Tank 276-500 gals	1/1/2016	2041	25		18	\$5,572	\$9,486
Generator - Load Test/Repairs	1/1/2016	2023	5	2	0	\$4,500	\$4,500
Generator - Replace	1/1/2016	2051	35		28	\$121,560	\$278,120
Irrigation System - Replace	1/1/2016	2042	26		19	\$78,001	\$94,234
Landscaping Maintenance	1/1/2016	2036	20		13	\$80,000	\$117,483
Motor 200 HP ODP	1/1/2016	2034	18		11	\$53,183	\$73,618
Motor 3 HP ODP	1/1/2016	2034	18		11	\$1,520	\$2,104
Office - Remodel	1/1/2016	2026	10		3	\$12,663	\$13,837
Office Equipment - Replace/Upgrade	1/1/2021	2027	6		4	\$10,130	\$11,401
Office Furniture	1/1/2016	2031	15		8	\$20,260	\$21,939
Pole Lights	1/1/2016	2046	30		23	\$24,312	\$47,982
Pressure Fans - Exhaust & Intake	1/1/2016	2031	15		8	\$27,351	\$34,647
Pump Station - Domestic Booster	1/1/2016	2032	16		9	\$36,164	\$47,186
RM Unit - Renovate	1/1/2016	2028	12		5	\$10,130	\$11,743
Roll Up Door	1/1/2016	2041	25		18	\$15,195	\$25,868
Security Camera System	1/1/2016	2028	12		5	\$37,519	\$43,495
Service Lane Asphalt - Replace	1/1/2016	2046	30		23	\$70,000	\$138,151
Service Lane Asphalt - Seal/Repair	1/1/2016	2023	5	2	0	\$9,927	\$9,927
Transfer Switch 800 Amps	1/1/2016	2046	30		23	\$60,780	\$119,955
VHDs Motor 25 HP - Replace (3)	1/1/2016	2036	20		13	\$37,684	\$55,340
VHDs Motor 7.5 HP - Replace (3)	1/1/2016	2036	20		13	\$22,793	\$33,472