

The Collection - Midrise

Calendar Year 2021 Operating Budget and Reserve Study

EXECUTIVE SUMMARY

Prepared By: Debi Balmilero and Hawaiiana Management Company, Ltd on June 23, 2020

Approved by Board of Directors on September 22, 2020

PRESENT RESERVE LEVELS

Projected 2020 Ending Reserve Balance	\$1,011
Required End of 2020 Balance to be 100% Funded	\$621,982
Projected End of Year 2020 Percent Funding	0.2%

2021 FULLY FUNDED MAINTENANCE FEES

Required End of Year 2021 Balance to be 100% Funded	\$775,044	
Year 2021 Reserve Outlays	\$0	
Year 2021 Reserve Contribution Required to be 100% Funded	\$774,033	
Plus Projected Operating Expense	\$341,992	
Less Other Income	\$151,106	
Fully Funded Maintenance Fee Change/Amount	229.8%	\$964,919
Management Executive Recommendation	0.0%	\$292,572

BOARD APPROVED YEAR 2021 MAINTENANCE FEES

Operating Expenses	\$341,992	
Less Other Income	\$151,106	
Maintenance Fee Change/Amount	0.0%	\$292,572
Reserve Contribution / FHA Requirement 10% of Maint fees	35%	\$101,686
Projected Funding Level/Balance at the End of Year 2021	13.25%	\$102,697

Hawaiiana Management Company, Ltd

2021 Monthly Cash Operating Budget For

The Collection - Midrise

Approved by Board of Directors on September 22, 2020

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DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL
REVENUE	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	TOTAL
MAINTENANCE FEES	24,381	24,381	24,381	24,381	24,381	24,381	24,381	24,381	24,381	24,381	24,381	24,381	292,572
RESERVE ASSESSMENT	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	96,000
ELECTRICITY REIMB	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	4,300	51,600
OTHER NON-TAX RCPTS-HO6 REIMB							2,256						2,256
BIKE & SURF FEES	500												500
PET FEES	750												750
TOTAL REVENUE	37,931	36,681	36,681	36,681	36,681	36,681	38,937	36,681	36,681	36,681	36,681	36,681	443,678

UTILITIES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
ELECTRICITY	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	11,900	142,800
TV CABLE	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	2,950	35,400
WATER	930	930	930	930	930	930	1,023	1,023	1,023	1,023	1,023	1,023	11,718
SEWER	3,969	3,969	3,969	3,969	3,969	3,969	4,366	4,366	4,366	4,366	4,366	4,366	50,007
TOTAL UTILITIES	19,749	19,749	19,749	19,749	19,749	19,749	20,239	20,239	20,239	20,239	20,239	20,239	239,925

CONTRACT SERVICES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
HVAC	500	500	500	500	500	500	500	500	500	500	500	500	6,000
HOUSEKEEPING SVCS-TOWER	960	960	960	960	960	960	960	960	960	960	960	960	11,520
WINDOW WASHING	1,300						1,300						2,600
ELEVATOR	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
GENERATOR	200						200						400
PEST CONTROL	190	190	190	190	190	190	190	190	190	190	190	190	2,280
REFUSE	600	600	600	600	600	600	600	600	600	600	600	600	7,200
SECURITY SVCS-TOWER	920	920	920	920	920	920	920	920	920	920	920	920	11,040
FIRE SYSTEMS										4,800			4,800
ROOF	500						500						1,000
SUBMETERING	417	417	417	417	417	417	417	417	417	417	417	417	5,004
MAINTENANCE SVCS-TOWER	155	155	155	155	155	155	155	155	155	155	155	155	1,860
BACKFLOW TESTING	180												180
FITNESS EQUIP MTCE	52			52			52			52			208
GATE MTCE	236			236			236			236			944
TOTAL CNTRCT SVCS	8,010	5,542	5,542	5,830	5,542	5,542	7,830	5,542	5,542	10,630	5,542	5,542	76,636

MAINTENANCE	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
BLDG MTCE	400			400			400			400			1,600
CLEANING SUPPS/EQUIPMENT	150	150	150	150	150	150	150	150	150	150	150	150	1,800
ELECTRICAL/LIGHTING SUPPLIES	15			15			15			15			60
PAINT SUPPLIES	15			15			15			15			60
SECURITY EQUIPMENT						700							700
MISCL REPRS AND MAT/SUPPLIES	133	133	133	133	133	133	133	133	133	133	133	133	1,600
TOTAL MAINTENANCE	713	283	283	713	283	983	713	283	283	713	283	283	5,820

Approved by Board of Directors on September 22, 2020

DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL
PROFESSIONAL SVCS	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	2021	TOTAL
LEGAL FEES GENERAL	300			300			300			300			1,200
TOTAL PROF. SERVICES	300			300			300			300			1,200

OTHER EXPENSES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
INSURANCE - ARTWORK DEDUCTIBLE	10,000												10,000
INSURANCE -HO-6						2,500							2,500
MASTER ASSOC DUES	493	493	493	493	493	493	493	493	493	493	493	493	5,911
TOTAL OTHER EXP.	10,493	493	493	493	493	2,993	493	493	493	493	493	493	18,411

TOTAL OP EXPENSE	39,264	26,066	26,066	27,084	26,066	29,266	29,575	26,557	26,557	32,375	26,557	26,557	341,992
LOAN PAYMENTS													
TRANSFER TO RESERVES	-1,334	10,615	10,615	9,597	10,615	7,415	9,362	10,124	10,124	4,306	10,124	10,124	101,686

THE COLLECTION - MIDRISE YEAR 2021 RESERVE PROJECTS AS OF SEPTEMBER 22, 2020

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	2021	Reference Year	2020	THE MODEL'S FINDINGS FOR % FUNDING			2020 Deficit	CHANGE	CONTRIB	FEES		
Final Plan Year	2040			Recommended Reserve Funding	100%	620,971	230%	774,033	964,919			
2020 Maintenance Fees	292,572	2021 Maint Fees	292,572	Target Reserve Funding Level	50%	309,980	97.35%	386,511	577,397			
2020 Other Income	57,904	2021 Othr Inc	151,106	Minimum Reserve Funding Level	50%	309,980	97%	386,511	577,397			
2020 Operating Expenses	-354,746	2021 Exp	-341,992	EOY 2021 Funding % @ Approved Le	13.25%			101,686	292,572			
2020 Reserve Contribution	-4,270	2021 Contribution	101,686	Condition Codes	Source Codes			Source Codes				
Projected Reserves At Start of 2021	1,011	Target Funding L	50%	EXCELNT	E	Contractor Proposal	1	Cost at Similar Project	5			
Projected Reserve % at Start of 2021	0.2%	Tgt Ann Contrib	77,748	GOOD	G	Contractor Estimate	2	Statistical Guideline	6			
Minimum Inflation	1.3%	Req Contrib-Tgt	387,728	FAIR	F	Engineer/Arch Estimate	3	Inflate First Year?	no			
Projected Savings Interest	0.5%	App. % Change		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	QAMNT	RES	DEFICIT	
Carpet Mezzanine		6	2016			2022	3,000		2,000	1,011	989	
Electrical Panels		7	2016			2023	10,000		5,714		5,714	
Soft Goods		7	2016			2023	9,000		5,143		5,143	
Compressor -Replace		8	2016			2024	15,000		7,500		7,500	
Multi Purpose Rm/Lobby Elec Door (1st Fl)	3	5	2016			2024	10,815		5,408		5,408	
Soft Goods -Replace		8	2016			2024	9,000		4,500		4,500	
Gate Operators		8	2016			2024	8,700		4,350		4,350	
Carpet Hallways		9	2016			2025	82,500		36,667		36,667	
Condenser -Replace		9	2016			2025	6,675		2,967		2,967	
Painting Exterior		10	2016			2026	132,000		52,800		52,800	
Painting Interior		10	2016			2026	63,640		25,456		25,456	
Window Treatment		10	2016			2026	16,000		6,400		6,400	
Awnings		10	2016			2026	12,500		5,000		5,000	
Carpet Multi Purpose Room		10	2016			2026	5,800		2,320		2,320	
Fitness Room Equipment		12	2016			2028	15,000		5,000		5,000	
Entry System		12	2016			2028	7,840		2,613		2,613	
Fitness Room Rubber Flooring		12	2016			2028	6,000		2,000		2,000	
Fire Extinguishers (24)		12	2016			2028	3,600		1,200		1,200	
Furniture Multi Purpose Room		14	2016			2030	25,000		7,143		7,143	
Utility Doors		14	2016			2030	6,500		1,857		1,857	
Restroom -Remodel		14	2016			2030	5,750		1,643		1,643	
Elevator Cabs -Remodel (2)		15	2016			2031	50,000		13,333		13,333	
Fan Coil		15	2016			2031	22,000		5,867		5,867	
Wall Covering		15	2016			2031	22,000		5,867		5,867	
Condensing Heat Pump 12 Ton		15	2016			2031	21,200		5,653		5,653	
Generator -Rebuild		15	2016			2031	7,500		2,000		2,000	
Appliances Multi Purpose Room		15	2016			2031	4,000		1,067		1,067	
Condensing Heat Pump 3 Ton		15	2016			2031	4,000		1,067		1,067	
Window Seal -Replace		20	2016			2036	425,000		85,000		85,000	
Roofing Single Ply Membrane		20	2016			2036	212,500		42,500		42,500	
Packaged Unit 26-50 Ton -Replace		20	2016			2036	100,000		20,000		20,000	
Fire Alarm System		20	2016			2036	45,000		9,000		9,000	
Counter/Cabinets Multi Purpose Room		20	2016			2036	35,000		7,000		7,000	
Fire Sprinkler System		20	2016			2036	33,750		6,750		6,750	
Transfer Switch 800 Amp		20	2016			2036	30,000		6,000		6,000	
Interior Surfaces Stairs -Paint		20	2016			2036	18,000		3,600		3,600	
Signage		20	2016			2036	18,000		3,600		3,600	
Exhaust Fans 50-500 -Replace (10)		20	2016			2036	12,000		2,400		2,400	
Exhaust Fans 501-1000 -Replace (8)		20	2016			2036	11,200		2,240		2,240	
Exterior Flood Fixtures 100 W (35)		20	2016			2036	7,350		1,470		1,470	
Emergency Lighting (24)		20	2016			2036	5,280		1,056		1,056	
Exit Signs (24)		20	2016			2036	5,280		1,056		1,056	
Fire Control Panel		20	2016			2036	4,000		800		800	
Capacitor Bank 3 kVAR -Replace		20	2016			2036	1,085		217		217	
Trash Chute Doors		22	2016			2038	16,000		2,909		2,909	
Water Submetering		23	2016			2039	50,000		8,696		8,696	
Elevators -Modernize (2)		25	2016			2041	700,000		112,000		112,000	
Pool Table Multi Purpose Room		25	2016			2041	8,000		1,280		1,280	

CAPITAL INVENTORY		NORM	DONE	LAST	CO	NEXT	COST	COST	FUNDING	EOY	
ITEM	ADJUSTMENT	LIFE	LAST	COST	ND	DUE DATE	NOW	SRC	QOMNT	RES	DEFICIT
Tile Flooring		26	2016			2042	46,500		7,154		7,154
Mailboxes		26	2016			2042	22,400		3,446		3,446
Glass Doors & Windows		30	2016			2046	250,000		33,333		33,333
Air Handler (Outdoor)		30	2016			2046	225,000		30,000		30,000
Interior Lighting		30	2016			2046	48,000		6,400		6,400
Ceiling Tiles		30	2016			2046	11,560		1,541		1,541
2020 End Yr Totals							2,925,925		621,982	1,011	620,971

The Collection - Midrise

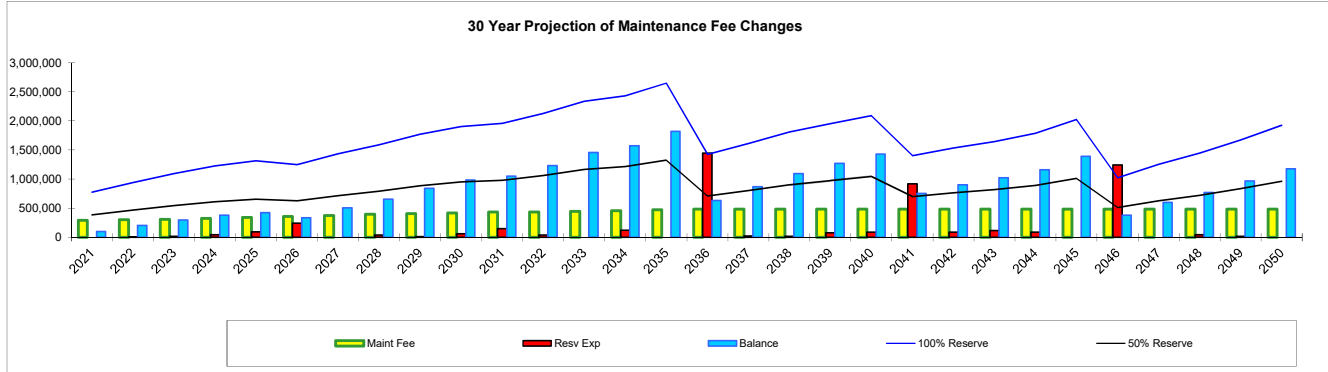
Board Approved 2021 Cash Flow Plan

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: 1.3%

Assumed Savings Interest Rate: 0.5%



Contingency Reserve Fund

\$0

CY Year	Starting Balance	-Reserve Expense	-Loan Payments	-Operating Expenses	+Maint. Fees	+Other Income	=Intern Bal	+Interest Income	=Ending Balance	% Maint. Fee Change	Net Reserve Contrib.	Percent Funded
2021	1,011	0	0	341,992	292,572	151,106	102,697	Included	102,697	0.0%	101,686	13%
2022	102,697	3,039	0	346,438	301,350	150,785	205,355	770	206,125	3.0%	102,658	22%
2023	206,125	19,498	0	350,942	310,390	152,745	298,820	1,262	300,083	3.0%	92,696	27%
2024	300,083	45,235	0	355,504	325,910	154,731	379,984	1,700	381,684	5.0%	79,902	31%
2025	381,684	93,903	0	360,125	342,205	156,742	426,603	2,021	428,624	5.0%	44,919	33%
2026	428,624	245,280	0	364,807	359,315	158,780	336,632	1,913	338,546	5.0%	(91,992)	27%
2027	338,546	0	0	369,549	377,281	160,844	507,121	2,114	509,235	5.0%	168,576	35%
2028	509,235	38,794	0	374,354	396,145	162,935	655,168	2,911	658,079	5.0%	145,933	41%
2029	658,079	11,992	0	379,220	408,029	165,053	839,949	3,745	843,695	3.0%	181,870	48%
2030	843,695	63,185	0	384,150	420,270	167,199	983,829	4,569	988,398	3.0%	140,134	52%
2031	988,398	148,719	0	389,144	432,878	169,373	1,052,785	5,103	1,057,888	3.0%	64,388	54%
2032	1,057,888	37,693	0	394,203	432,878	171,574	1,230,445	5,721	1,236,166	0.0%	172,557	58%
2033	1,236,166	0	0	399,328	445,865	173,805	1,456,508	6,732	1,463,240	3.0%	220,342	63%
2034	1,463,240	121,819	0	404,519	459,241	176,064	1,572,207	7,589	1,579,796	3.0%	108,967	65%
2035	1,579,796	0	0	409,778	473,018	178,353	1,821,389	8,503	1,829,892	3.0%	241,594	69%
2036	1,829,892	1,448,511	0	415,105	487,208	180,672	634,157	6,160	640,317	3.0%	(1,195,735)	45%
2037	640,317	23,363	0	420,501	487,208	183,020	866,682	3,767	870,449	0.0%	226,365	54%
2038	870,449	19,929	0	425,968	487,208	185,400	1,097,161	4,919	1,102,080	0.0%	226,712	61%
2039	1,102,080	76,732	0	431,505	487,208	187,810	1,268,861	5,927	1,274,789	0.0%	166,781	65%
2040	1,274,789	87,095	0	437,115	487,208	190,251	1,428,039	6,757	1,434,796	0.0%	153,250	69%
2041	1,434,796	916,689	0	442,797	487,208	192,725	755,243	5,475	760,718	0.0%	(679,553)	54%
2042	760,718	90,369	0	448,554	487,208	195,230	904,234	4,162	908,397	0.0%	143,516	59%
2043	908,397	118,480	0	454,385	487,208	197,768	1,020,509	4,822	1,025,331	0.0%	112,112	62%
2044	1,025,331	90,264	0	460,292	487,208	200,339	1,162,323	5,469	1,167,792	0.0%	136,992	65%
2045	1,167,792	0	0	466,276	487,208	202,944	1,391,668	6,399	1,398,067	0.0%	223,876	69%
2046	1,398,067	1,240,535	0	472,337	487,208	205,582	377,985	4,440	382,425	0.0%	(1,020,082)	37%
2047	382,425	0	0	478,477	487,208	208,254	599,411	2,455	601,865	0.0%	216,985	48%
2048	601,865	46,346	0	484,698	487,208	210,962	768,992	3,427	772,419	0.0%	167,126	53%
2049	772,419	15,526	0	490,999	487,208	213,704	966,807	4,348	971,155	0.0%	194,388	58%
2050	971,155	0	0	497,382	487,208	216,482	1,177,464	5,372	1,182,835	0.0%	206,309	62%