

The Collection - Midrise/Lofts

Calendar Year 2022 Operating Budget and Reserve Study

EXECUTIVE SUMMARY

Prepared By: Debi Balmilero and Hawaiiana Management Company, Ltd on June 23, 2021

Approved by Board of Directors on August 17, 2021

PRESENT RESERVE LEVELS

Projected 2021 Ending Reserve Balance		\$100,824
Required End of 2021 Balance to be 100% Funded		\$926,987
Projected End of Year 2021 Percent Funding		10.9%

2022 FULLY FUNDED MAINTENANCE FEES

Required End of Year 2022 Balance to be 100% Funded		\$955,412
Year 2022 Reserve Outlays		\$15,000
Year 2022 Reserve Contribution Required to be 100% Funded		\$869,588
Plus Projected Operating Expense		\$342,907
Less Other Income		\$52,802
Fully Funded Maintenance Fee Change/Amount	296.4%	\$1,159,671
Management Executive Recommendation	6.0%	\$310,127

BOARD APPROVED YEAR 2022 MAINTENANCE FEES

Operating Expenses		\$342,907
Less Other Income		\$52,802
Maintenance Fee Change/Amount	6.0%	\$310,149
Reserve Contribution / FHA Requirement 10% of Maint fees	6%	\$20,044
Projected Funding Level/Balance at the End of Year 2022	11.08%	\$105,868

Hawaiiana Management Company, Ltd

2022 Monthly Cash Operating Budget For

The Collection - Midrise/Lofts

Approved by Board of Directors on August 17, 2021

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DESCRIPTION REVENUE	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
MAINTENANCE FEES	25,844	25,844	25,844	25,844	25,844	25,844	25,844	25,844	25,844	25,844	25,844	25,844	310,127
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
INVESTMENT INTEREST	1	1	1	1	1	1	1	1	1	1	1	1	12
CHECKING INTEREST	1	1	1	1	1	1	1	1	1	1	1	1	12
PET FEE	360												360
BIKE/SURF FEES	840												840
TOTAL REVENUE	31,346	30,146	30,146	30,146	30,146	30,146	30,146	30,146	30,146	30,146	30,146	30,146	362,951

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	810	810	810	810	810	810	810	891	891	891	891	891	10,125
SEWER	3,880	3,880	3,880	3,880	3,880	3,880	3,880	4,268	4,268	4,268	4,268	4,268	48,500
TOTAL UTILITIES	19,540	19,540	19,540	19,540	19,540	19,540	19,540	20,009	20,009	20,009	20,009	20,009	236,825

CONTRACT SERVICES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
AIR CONDITIONING	600	600	600	600	600	600	600	600	600	600	600	600	7,200
HOUSEKEEPING SERVICES	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
WINDOW WASHING	1,110						1,110						2,220
ELEVATOR MAINTENANCE	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	300						300						600
PEST CONTROL	190	190	190	190	190	190	190	190	190	190	190	190	2,280
REFUSE	700	700	700	700	700	700	700	700	700	700	700	700	8,400
SECURITY EQUIPMENT	473			473			473			473			1,890
SECURITY SERVICES	920	920	920	920	920	920	920	920	920	920	920	920	11,040
FIRE ALARM SYSTEM										4,800			4,800
ROOF	500						500						1,000
SUBMETERING	446	446	446	446	446	446	446	446	446	446	446	446	5,352
MAINTENANCE SERVICES	365	365	365	365	365	365	365	365	365	365	365	365	4,380
BACKFLOW TEST	180												180
FITNESS EQUIPMENT MAINTENANCE	52			52			52			52			208
GATE MAINTENANCE SERVICES	236			236			236			236			944
HIGH RISK PLUMBING INSPECTION			2,268										2,268
TOTAL CNTRCT SVCS	9,071	6,221	8,489	6,981	6,221	6,221	8,891	6,221	6,221	11,781	6,221	6,221	88,762

MAINTENANCE	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
BUILDING MAINTENANCE	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
MISCL REPRS AND MAT/SUPPLIES	400			400			400			400			1,600
TOTAL MAINTENANCE	980	150	150	980	150	150	980	150	150	980	150	150	5,120

Approved by Board of Directors on August 17, 2021

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
PROFESSIONAL SVCS													
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 - ART DEDUCTIBLE	2,500												2,500
INSURANCE - HO-6						2,500							2,500
MASTER ASSOC DUES	500	500	500	500	500	500	500	500	500	500	500	500	6,000
TOTAL OTHER EXP.	3,000	500	500	500	500	3,000	500	500	500	500	500	500	11,000

TOTAL OP EXPENSE	32,891	26,411	28,679	28,301	26,411	28,911	30,211	26,880	26,880	33,570	26,880	26,880	342,907
LOAN PAYMENTS													
TRANSFER TO RESERVES	-1,546	3,735	1,467	1,844	3,735	1,235	-66	3,266	3,266	-3,425	3,266	3,266	20,044

THE COLLECTION - MIDRISE/LOFTS 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	FEES	
Final Plan Year	2041			Recommended Reserve Funding	100%	826,162	296%	854,588	1,159,671		
2021 Maintenance Fees	292,572	2022 Maint Fees	310,127	Target Reserve Funding Level	50%	362,669	133.09%	376,882	681,965		
2021 Other Income	149,296	2022 Othr Inc	52,824	Minimum Reserve Funding Level	50%	362,669	133%	376,882	681,965		
2021 Operating Expenses	-312,143	2022 Exp	-342,907	EOY 2022 Funding % @ Approved Lev	11.08%		6%	5,044	310,127		
2021 Reserve Contribution	129,725	2022 Contribution	20,044	Condition Codes	Source Codes		Source Codes				
Projected Reserves At Start of 2022	100,824	Target Funding I	50%	EXCELNT	E	Contractor Proposal	1	Cost at Similar Project	5		
Projected Reserve % at Start of 2022	10.9%	Tgt Ann Contrib	77,349	GOOD	G	Contractor Estimate	2	Statistical Guideline	6		
Minimum Inflation	2.1%	Req Contrib-Tgt	440,018	FAIR	F	Engineer/Arch Estimate	3	Inflate First Year?	no		
Projected Savings Interest	1.0%	App. % Change	6.0%	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
Carpet Mezzanine - Change to Tile		6	2016			2022	15,000		15,000	15,000	
Electrical Panels		7	2016			2023	10,000		8,571	8,571	
Compressor - Replace		8	2016			2024	15,000		11,250	11,250	
Multi Purpose Rm/Lobby Elec Door (1st Fl)	3	5	2016			2024	10,815		8,111	8,111	
Soft Goods - Replace		8	2016			2024	9,000		6,750	6,750	
Gate Operators		8	2016			2024	8,700		6,525	6,525	
Carpet Hallways		9	2016			2025	82,500		55,000	44,617	10,383
Painting Exterior		10	2016			2026	132,000		79,200		79,200
Window Tint		10	2016			2026	16,000		9,600		9,600
Awnings (Metal)		10	2016			2026	12,500		7,500		7,500
Painting Interior	1	10	2016			2027	63,640		34,713		34,713
Interior Surfaces Stairs -Paint		10	2017	6118.17		2027	12,000		6,000		6,000
Carpet Multi Purpose Room	1	10	2016			2027	5,800		3,164		3,164
Security Camera System		12	2016			2028	28,139		14,070		14,070
Fitness Room Equipment		12	2016			2028	15,000		7,500		7,500
Entry System		12	2016			2028	7,840		3,920		3,920
Fitness Room Rubber Flooring		12	2016			2028	6,000		3,000		3,000
Fire Extinguishers (24)		12	2016			2028	3,600		1,800		1,800
Furniture Multi Purpose Room		14	2016			2030	25,000		10,714		10,714
Utility Doors		14	2016			2030	6,500		2,786		2,786
Restroom -Remodel		14	2016			2030	5,750		2,464		2,464
Elevator Cabs -Remodel (2)		15	2016			2031	50,000		20,000		20,000
Fan Coil		15	2016			2031	22,000		8,800		8,800
Wall Covering		15	2016			2031	22,000		8,800		8,800
Condensing Heat Pump 12 Ton (4)		15	2016			2031	21,200		8,480		8,480
Generator -Rebuild		15	2016			2031	7,500		3,000		3,000
Appliances Multi Purpose Room		15	2016			2031	4,000		1,600		1,600
Condensing Heat Pump 3 Ton		15	2016			2031	4,000		1,600		1,600
Window Seal - Replace	-4	20	2016			2032	275,797		103,424		103,424
Packaged Unit 26-50 Ton -Replace	-3	20	2016			2033	100,000		35,294		35,294
Fire Alarm System	-2	20	2016			2034	45,000		15,000		15,000
Counter/Cabinets Multi Purpose Room	-1	20	2016			2035	35,000		11,053		11,053
Fire Sprinkler System	-1	20	2016			2035	33,750		10,658		10,658
Exhaust Fans 501-1000 -Replace (8)	-1	20	2016			2035	11,200		3,537		3,537
Roofing Single Ply Membrane		20	2016			2036	212,500		63,750		63,750
Signage		20	2016			2036	18,000		5,400		5,400
Exhaust Fans 50-500 -Replace (10)		20	2016			2036	12,000		3,600		3,600
Fire Control Panel		20	2016			2036	4,000		1,200		1,200
Capacitor Bank 3 kVAR -Replace		20	2016			2036	1,085		326		326
Transfer Switch 800 Amp	1	20	2016			2037	30,000		8,571		8,571
Exterior Flood Fixtures 100 W (35)	1	20	2016			2037	7,350		2,100		2,100
Emergency Lighting (24)	1	20	2016			2037	5,280		1,509		1,509
Exit Signs (24)	1	20	2016			2037	5,280		1,509		1,509
Trash Chute Doors		22	2016			2038	16,000		4,364		4,364
Water Submetering		23	2016			2039	50,000		13,043		13,043
Elevators -Modernize (2)		25	2016			2041	700,000		168,000		168,000
Pool Table Multi Purpose Room		25	2016			2041	8,000		1,920		1,920
Tile Flooring		26	2016			2042	46,500		10,731		10,731

The Collection - Midrise/Lofts

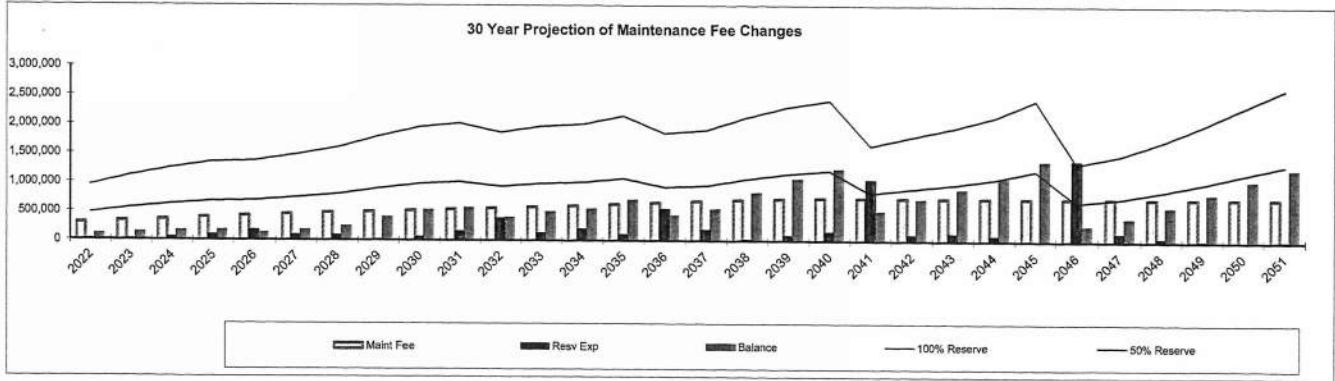
Board Approved 2022 Cash Flow Plan

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

CY	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	100,824	15,000	0	342,907	310,127	52,824	105,868	Included	105,868	6.0%	5,044	11%
2023	105,868	10,210	0	350,108	341,139	53,910	140,599	1,232	141,831	10.0%	34,731	13%
2024	141,831	45,362	0	357,460	371,842	55,042	165,893	1,539	167,432	9.0%	24,062	13%
2025	167,432	87,807	0	364,967	405,308	56,198	176,163	1,718	177,881	9.0%	8,732	13%
2026	177,881	174,413	0	372,631	437,732	57,378	125,947	1,519	127,466	8.0%	(51,934)	9%
2027	127,466	90,358	0	380,457	459,619	58,583	174,853	1,512	176,365	5.0%	47,387	12%
2028	176,365	85,616	0	388,446	482,600	59,813	244,716	2,105	246,821	5.0%	68,351	15%
2029	246,821	12,509	0	396,603	501,904	61,069	400,682	3,238	403,919	4.0%	153,861	23%
2030	403,919	55,797	0	404,932	521,980	62,352	527,522	4,657	532,179	4.0%	123,603	27%
2031	532,179	157,583	0	413,436	542,859	63,661	567,681	5,499	573,180	4.0%	35,502	28%
2032	573,180	379,759	0	422,118	564,574	64,998	400,875	4,870	405,745	4.0%	(172,305)	22%
2033	405,745	125,685	0	430,982	587,157	66,363	502,597	4,542	507,139	4.0%	96,852	26%
2034	507,139	196,741	0	440,033	610,643	67,757	548,764	5,280	554,043	4.0%	41,625	28%
2035	554,043	104,750	0	449,274	635,068	69,179	704,268	6,292	710,559	4.0%	150,224	33%
2036	710,559	545,897	0	458,708	660,471	70,632	437,057	5,738	442,795	4.0%	(273,502)	24%
2037	442,795	190,324	0	468,341	686,890	72,115	543,135	4,930	548,065	4.0%	100,340	29%
2038	548,065	22,312	0	478,176	707,497	73,630	828,703	6,884	835,587	3.0%	280,638	39%
2039	835,587	86,587	0	488,218	728,722	75,176	1,064,680	9,501	1,074,181	3.0%	229,093	47%
2040	1,074,181	157,400	0	498,471	743,296	76,755	1,238,361	11,563	1,249,924	2.0%	164,180	52%
2041	1,249,924	1,050,806	0	508,939	743,296	78,367	511,842	8,809	520,651	0.0%	(738,082)	32%
2042	520,651	104,408	0	519,626	743,296	80,012	719,925	6,203	726,128	0.0%	199,274	40%
2043	726,128	127,642	0	530,539	743,296	81,693	892,936	8,095	901,031	0.0%	166,808	46%
2044	901,031	91,725	0	541,680	743,296	83,408	1,094,331	9,977	1,104,308	0.0%	193,299	52%
2045	1,104,308	0	0	553,055	743,296	85,160	1,379,708	12,420	1,392,128	0.0%	275,401	57%
2046	1,392,128	1,384,492	0	564,669	743,296	86,948	273,211	8,327	281,538	0.0%	(1,118,917)	21%
2047	281,538	136,925	0	576,527	743,296	88,774	400,156	3,408	403,564	0.0%	118,618	27%
2048	403,564	56,131	0	588,634	743,296	90,638	592,733	4,981	597,715	0.0%	189,169	35%
2049	597,715	18,956	0	600,996	743,296	92,542	813,601	7,057	820,657	0.0%	215,886	41%
2050	820,657	0	0	613,617	743,296	94,485	1,044,822	9,327	1,054,149	0.0%	224,165	45%
2051	1,054,149	18,271	0	626,503	743,296	96,469	1,249,141	11,516	1,260,657	0.0%	194,992	48%