

The Collection - Tower

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		\$3,668,745
Required End of 2021 Balance to be 100% Funded		\$6,122,322
Projected End of Year 2021 Percent Funding		59.9%

2022 FULLY FUNDED MAINTENANCE FEES

Required End of Year 2022 Balance to be 100% Funded		\$6,191,573
Year 2022 Reserve Outlays		\$26,036
Year 2022 Reserve Contribution Required to be 100% Funded		\$2,548,864
Plus Projected Operating Expense		\$3,629,266
Less Other Income		\$731,796
Fully Funded Maintenance Fee Change/Amount	55.6%	\$5,441,498
Management Executive Recommendation	0.0%	\$3,498,100

BOARD APPROVED YEAR 2022 MAINTENANCE FEES

Operating Expenses		\$3,629,266
Less Other Income		\$731,796
Maintenance Fee Change/Amount	0.0%	\$3,502,936
Reserve Contribution / FHA Requirement 10% of Maint fees	17%	\$605,466
Projected Funding Level/Balance at the End of Year 2022	68.61%	\$4,248,175

Hawaiiana Management Company, Ltd

2022 Monthly Cash Operating Budget For

The Collection - Tower

Approved by Board of Directors on August 17, 2021

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DESCRIPTION	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	ANNUAL
REVENUE	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	2022	TOTAL
MAINTENANCE FEES	291,508	291,508	291,508	291,508	291,508	291,508	291,508	291,508	291,508	291,508	291,508	291,508	3,498,100
ELECTRICITY REIMB	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	636,000
ELECTRICITY REIMB-CHARGEPOINT	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
INVESTMENT INTEREST	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
CHECKING INTEREST	1	1	1	1	1	1	1	1	1	1	1	1	12
OTHER NON TAX RCPTS-HO6 REIMB	8,400												8,400
BIKE & SURF FEES	575	575	575	575	575	575	575	575	575	575	575	575	6,900
PET FEES	250	250	250	250	250	250	250	250	250	250	250	250	3,000
HSKPG-MIDRISE	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
MAINTENANCE-MIDRISE	365	365	365	365	365	365	365	365	365	365	365	365	4,380
SECURITY-MIDRISE	920	920	920	920	920	920	920	920	920	920	920	920	11,040
HSKPG-COMMERCIAL	447	447	447	447	447	447	447	447	447	447	447	447	5,364
SECURITY-COMMERCIAL	928	928	928	928	928	928	928	928	928	928	928	928	11,136
TOTAL REVENUE	360,594	352,194	352,194	352,194	352,194	352,194	352,194	352,194	352,194	352,194	352,194	352,194	4,234,732

UTILITIES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
ELECTRICITY	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	85,000	1,020,000
TV CABLE	22,387	22,387	22,387	22,387	22,387	22,387	22,387	22,387	22,387	22,387	22,387	22,387	268,644
WATER	5,680	5,680	5,680	5,680	5,680	5,680	5,680	6,244	6,244	6,244	6,244	6,244	70,978
SEWER	28,420	28,420	28,420	28,420	28,420	28,420	28,420	31,254	31,254	31,254	31,254	31,254	355,210
GAS	1,802	1,802	1,802	1,802	1,802	1,802	1,802	1,802	1,802	1,802	1,802	1,802	21,624
TOTAL UTILITIES	143,289	143,289	143,289	143,289	143,289	143,289	143,289	146,687	146,687	146,687	146,687	146,687	1,736,456

CONTRACT SERVICES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
AIR CONDITIONING	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
WINDOW WASHING		18,987				18,987				18,987			56,962
ELEVATOR RESIDENTIAL	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
PLANTER MAINTENANCE - REFURBISH	25,000						25,000						50,000
LANDSCAPE - RECREATION DECK						3,000							3,000
TREE TRIMMING- RECREATION DECK		2,500											2,500
GENERATOR	4,300												4,300
PEST CONTROL	800	800	800	800	800	800	800	800	800	800	800	800	9,600
REFUSE	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	4,400	52,800
COMPACTOR SERVICE	550			550			550			550			2,200
SECURITY EQUIPMENT	5,115			5,115			5,115			5,115			20,460
FIRE SYSTEM										37,000			37,000
ROOF	500						500						1,000
SUBMETERING	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	39,600
DRYER EXHAUST SYSTEM												400	400
BACKFLOW TEST												4,000	4,000
BOOSTER PUMP SERVICE	300			300			300			300			1,200
GATE MAINTENANCE	300			300			300			300			1,200
FITNESS EQUIPMENT MAINTENANCE	200	200	200	200	200	200	200	200	200	200	200	200	2,400
HIGH RISK PLUMBING INSPECTION			16,628										16,628
TOTAL CNTRCT SVCS	51,265	36,687	31,828	21,465	15,200	37,187	46,965	15,200	15,200	77,452	15,200	19,600	383,251

MAINTENANCE	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
BUILDING MAINTENANCE	900	900	900	900	900	900	900	900	900	900	900	900	10,800
CLEANING SUPPS/EQUIPMENT	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
ELEVATOR INSPECTION								2,000					2,000
ELECTRICAL/LIGHTING SUPPLIES	550	550	550	550	550	550	550	550	550	550	550	550	6,600
PLUMBING/MECHANICAL REPR/SUPP	400	400	400	400	400	400	400	400	400	400	400	400	4,800
POOL/SPA	900	900	900	900	900	900	900	900	900	900	900	900	10,800
PAINT SUPPLIES	200	200	200	200	200	200	200	200	200	200	200	200	2,400
MISCL REPRS AND MAT/SUPPLIES	700	700	700	700	700	700	700	700	700	700	700	700	8,400
GOLF CART REPAIRS	375			375			375			375			1,500
TOTAL MAINTENANCE	5,425	5,050	5,050	5,425	5,050	5,050	5,425	7,050	5,050	5,425	5,050	5,050	64,100

Approved by Board of Directors on August 17, 2021

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
AOAO ADMIN EXPS	20	20	20	20	20	20	20	20	20	20	20	20	240
EDUCATION EXPENSE	400												400
LEGAL FEES GENERAL	200	200	200	200	200	200	200	200	200	200	200	200	2,400
TOTAL PROF. SERVICES	620	220	220	220	220	220	220	220	220	220	220	220	3,040

PAYROLL & BENEFITS	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
PAYROLL - MANAGEMENT TEAM	24,480	24,480	24,480	24,480	24,480	36,720	24,480	24,480	24,480	24,480	24,480	36,720	318,242
PAYROLL - MAINTENANCE	10,226	10,226	10,226	10,226	10,226	15,338	10,226	10,226	10,226	10,226	10,226	15,338	132,933
PAYROLL - HOUSEKEEPING	15,740	15,740	15,740	15,740	15,740	23,610	15,740	15,740	15,740	15,740	15,740	23,610	204,616
PAYROLL - RESIDENTIAL SPECIALISTS	33,568	33,568	33,568	33,568	33,568	50,353	33,568	33,568	33,568	33,568	33,568	50,353	436,390
WORKERS COMP								31,900					31,900
TDI	1,000			1,000			1,000			1,000			4,000
HEALTH CARE	11,700	11,700	11,700	11,700	11,700	11,700	11,700	11,700	11,700	11,700	11,700	11,700	140,400
PAYROLL TAXES	7,541	7,541	7,541	7,541	7,541	11,312	7,541	7,541	7,541	7,541	7,541	11,312	98,038
PAYROLL PREP	325	325	325	325	325	325	325	325	325	325	325	325	3,900
UNIFORMS	2,000			2,000			2,000			2,000			8,000
TOTAL P/R & BENEFITS	106,580	103,580	103,580	106,580	103,580	149,358	106,580	135,480	103,580	106,580	103,580	149,358	1,378,419

OTHER EXPENSES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
INSURANCE - ART DEDUCTIBLE	10,000												10,000
INSURANCE - HO-6	8,400												8,400
MASTER ASSOC DUES	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	45,600
TOTAL OTHER EXP.	22,200	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	64,000

TOTAL OP EXPENSE	329,379	292,627	287,768	280,779	271,139	338,904	306,279	308,437	274,537	340,164	274,537	324,715	3,629,266
LOAN PAYMENTS													
TRANSFER TO RESERVES	31,215	59,568	64,427	71,415	81,055	13,290	45,915	43,757	77,657	12,030	77,657	27,480	605,466

THE COLLECTION - TOWER 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%	2,453,577	56%	2,522,828	5,441,498		
2021 Maintenance Fees	3,498,100	2022 Maint Fees	3,498,100	Target Reserve Funding Level	50%	(607,584)	-32.94%	(572,958)	2,345,712		
2021 Other Income	746,436	2022 Othr Inc	736,632	Minimum Reserve Funding Level	50%	(607,584)	-33%	(572,958)	2,345,712		
2021 Operating Expenses	-3,231,465	2022 Exp	-3,629,266	EOY 2022 Funding % @ Approved Lev	68.61%		0%	579,430	3,498,100		
2021 Reserve Contribution	1,013,071	2022 Contribution	605,466	Condition Codes	Source Codes		Source Codes				
Projected Reserves At Start of 2022	3,668,745	Target Funding I	50%	EXCELNT	E	Contractor Proposal	1	Cost at Similar Project	5		
Projected Reserve % at Start of 2022	59.9%	Tgt Ann Contrib	512,235	GOOD	G	Contractor Estimate	2	Statistical Guideline	6		
Minimum Inflation	2.1%	Req Contrib-Tgt	(95,349)	FAIR		Engineer/Arch Estimate	3	Inflate First Year?	Yes		
Projected Savings Interest	1.0%	App. % Change		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
Window Seal - Repairs	1	5	2016			2022	21,000		21,000	21,000	
Pool Heater	4	2	2016			2022	4,500		4,500	4,500	
Spa Heater		2	2021			2023	9,000		4,500	4,500	
Soft Goods - Lobby & Club Room		8	2016			2024	91,170		68,378	68,378	
Vehicle Gate Operators		8	2016			2024	18,234		13,676	13,676	
Compressor - Replace		8	2016			2024	15,195		11,396	11,396	
Electrical Panels - Repair		8	2016			2024	10,130		7,598	7,598	
Vehicle Gate Control System		8	2016			2024	8,914		6,686	6,686	
Spa Pump Motor		8	2016			2024	6,078		4,559	4,559	
Pool Ph & Cl Control		6	2018	4000		2024	5,000		3,333	3,333	
Pool Pump Motor		8	2016			2024	3,039		2,279	2,279	
Spa Ph & Cl Control		6	2018			2024	1,000		667	667	
Artificial Green Turf -Replace		9	2016			2025	35,455		23,637	23,637	
Teak Wood Deck		9	2016			2025	24,920		16,613	16,613	
Condenser - Replace		9	2016			2025	13,524		9,016	9,016	
Carpeting Hallway		10	2016			2026	653,385		392,031	392,031	
Exterior Painting PH1		10	2016			2026	628,060		376,836	376,836	
Hallway Painting		10	2016			2026	319,095		191,457	191,457	
Interior Surface Painting		10	2016			2026	263,380		158,028	158,028	
Parking Deck - Repairs		10	2016			2026	162,080		97,248	97,248	
Cabanas & BBQs - Refurbish		10	2016			2026	35,455		21,273	21,273	
Pool Furniture & Soft Goods		10	2016			2026	32,416		19,450	19,450	
Pool -Resurface		10	2016			2026	32,416		19,450	19,450	
Window Treatment		10	2016			2026	16,208		9,725	9,725	
Condenser Split System		10	2016			2026	13,270		7,962	7,962	
Spa - Resurface		10	2016			2026	12,156		7,294	7,294	
Condenser Barrel	5	5	2016			2026	10,130		6,078	6,078	
Dog Park Furniture		10	2016			2026	7,091		4,255	4,255	
Exterior Painting PH2	1	10	2016			2027	628,060		342,578	342,578	
Fitness Center Equipment -Replace		12	2016			2028	227,925		113,963	113,963	
Interior Flooring Wood Strip -Refinish		12	2016			2028	174,236		87,118	87,118	
Crown Lighting		12	2016			2028	126,625		63,313	63,313	
Furniture (Metal) -Replace		12	2016			2028	101,300		50,650	50,650	
Emergency Lighting		12	2016			2028	88,268		44,134	44,134	
Security Camera System		12	2016			2028	76,913		38,456	38,456	
Elevators -Realignment (4)		12	2016			2028	60,780		30,390	30,390	
Elevator Lobby Lighting		12	2016			2028	44,319		22,160	22,160	
Trash Compactor		12	2016			2028	22,793		11,397	11,397	
Interior Wood Baseboard/Paneling -Refinish		12	2016			2028	14,182		7,091	7,091	
Dog Park Turf		12	2016			2028	10,130		5,065	5,065	
Pool Filter		13	2016			2029	6,078		2,805	2,805	
Spa Filter		13	2016			2029	6,078		2,805	2,805	
Pressure Fan		14	2016			2030	70,100		30,043	30,043	
Ceiling Lights		14	2016			2030	41,786		17,908	17,908	
Water Submetering		15	2016			2031	344,420		137,768	137,768	
Supply Fan		15	2016			2031	168,209		67,284	67,284	
Interior Wallcovering		15	2016			2031	144,859		57,944	57,944	
Elevator Cabs -Remodel (4)		15	2016			2031	101,300		40,520	40,520	

The Collection - Tower

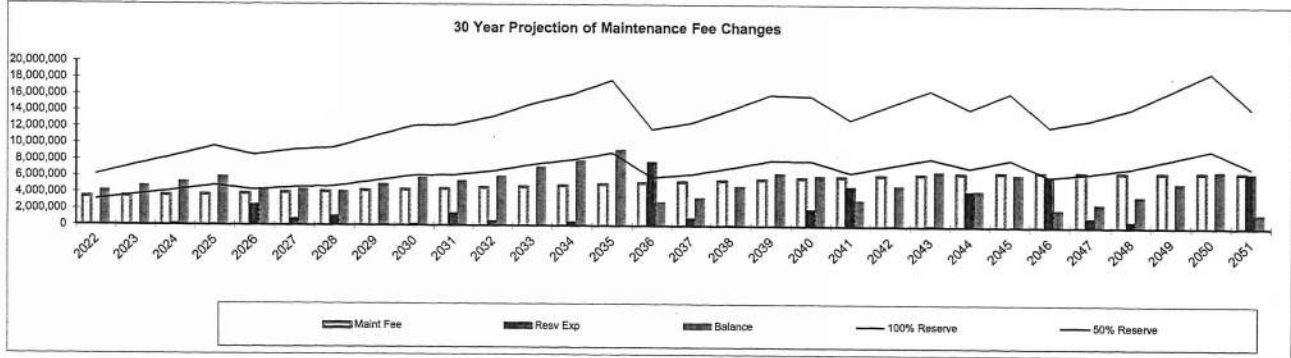
Board Approved 2022 Cash Flow Plan

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	3,668,745	26,036	0	3,629,266	3,498,100	736,632	4,248,175	Included	4,248,175	0.0%	579,430	69%
2023	4,248,175	9,382	0	3,705,480	3,568,062	716,534	4,817,909	45,330	4,863,239	2.0%	569,734	66%
2024	4,863,239	173,764	0	3,783,296	3,675,104	731,581	5,312,865	50,881	5,363,745	3.0%	449,626	63%
2025	5,363,745	90,084	0	3,862,745	3,785,357	746,944	5,943,218	56,535	5,999,753	3.0%	579,473	62%
2026	5,999,753	2,429,415	0	3,943,862	3,898,918	762,630	4,288,023	51,439	4,339,462	3.0%	(1,711,729)	50%
2027	4,339,462	745,452	0	4,026,684	4,015,886	778,645	4,361,858	43,507	4,405,364	3.0%	22,395	48%
2028	4,405,364	1,101,042	0	4,111,244	4,136,362	794,997	4,124,437	42,649	4,167,086	3.0%	(280,927)	44%
2029	4,167,086	24,982	0	4,197,580	4,260,453	811,692	5,016,669	45,919	5,062,588	3.0%	849,583	46%
2030	5,062,588	147,559	0	4,285,729	4,388,267	828,737	5,846,303	54,544	5,900,848	3.0%	783,716	48%
2031	5,900,848	1,458,838	0	4,375,730	4,519,915	846,141	5,432,335	56,666	5,489,001	3.0%	(468,512)	45%
2032	5,489,001	535,659	0	4,467,620	4,655,512	863,910	6,005,144	57,471	6,062,615	3.0%	516,143	46%
2033	6,062,615	11,549	0	4,561,440	4,795,177	882,052	7,166,855	66,147	7,233,002	3.0%	1,104,240	49%
2034	7,233,002	482,967	0	4,657,230	4,939,033	900,575	7,932,413	75,827	8,008,240	3.0%	699,410	50%
2035	8,008,240	12,039	0	4,755,032	5,087,204	919,487	9,247,860	86,280	9,334,140	3.0%	1,239,620	52%
2036	9,334,140	7,770,949	0	4,854,888	5,239,820	938,796	2,886,919	61,105	2,948,025	3.0%	(6,447,221)	25%
2037	2,948,025	917,650	0	4,956,840	5,397,014	958,511	3,429,060	31,885	3,460,945	3.0%	481,035	28%
2038	3,460,945	71,309	0	5,060,934	5,558,925	978,640	4,866,267	41,636	4,907,903	3.0%	1,405,322	34%
2039	4,907,903	13,083	0	5,167,213	5,725,693	999,191	6,452,490	56,802	6,509,292	3.0%	1,544,587	41%
2040	6,509,292	2,003,845	0	5,275,725	5,897,463	1,020,174	6,147,359	63,283	6,210,643	3.0%	(361,933)	39%
2041	6,210,643	4,771,930	0	5,386,515	6,074,387	1,041,598	3,168,182	46,894	3,215,076	3.0%	(3,042,460)	25%
2042	3,215,076	67,542	0	5,499,632	6,256,619	1,063,471	4,967,992	40,915	5,008,908	3.0%	1,752,916	34%
2043	5,008,908	130,951	0	5,615,124	6,381,751	1,085,804	6,730,388	58,696	6,789,084	2.0%	1,721,480	41%
2044	6,789,084	4,280,406	0	5,733,042	6,509,386	1,108,606	4,393,629	55,914	4,449,542	2.0%	(2,395,456)	31%
2045	4,449,542	14,820	0	5,853,436	6,639,574	1,131,887	6,352,747	54,011	6,406,759	2.0%	1,903,205	39%
2046	6,406,759	6,168,734	0	5,976,358	6,705,970	1,155,656	2,123,293	42,650	2,165,943	1.0%	(4,283,466)	18%
2047	2,165,943	1,129,626	0	6,101,861	6,705,970	1,179,925	2,820,351	24,931	2,845,282	0.0%	654,407	22%
2048	2,845,282	720,674	0	6,230,001	6,705,970	1,204,704	3,805,281	33,253	3,838,534	0.0%	959,999	26%
2049	3,838,534	16,105	0	6,360,831	6,705,970	1,230,002	5,397,570	46,181	5,443,751	0.0%	1,559,037	33%
2050	5,443,751	8,221	0	6,494,408	6,705,970	1,255,832	6,902,924	61,733	6,964,657	0.0%	1,459,173	37%
2051	6,964,657	6,649,466	0	6,630,791	6,705,970	1,282,205	1,672,575	43,186	1,715,761	0.0%	(5,292,082)	12%