



Hawaiiana Management Company, Ltd.  
Palani Court, Suite 215  
74-5620 Palani Road  
Kailua-Kona, HI 96740  
Tel: (808) 930-3218  
Fax: (808) 331-1743  
[www.hmcmgt.com](http://www.hmcmgt.com)

November 2021

Dear Pualani Estates at Kona Owners,

Hawaiiana Management Company would like to thank your Board of Directors for the months of research incurred to complete and approve the 2022 Operating Budget, which was prepared on a cash basis. After careful review of the Association's current and long-range requirements and to conform to the Association's governing documents, the Board has found it is not necessary to increase the association dues for 2022. The Board has approved a revenue requirement of \$90,561.00 per year, operating expenses of \$115,105.00 per year, and the shortfall of \$25,544.00 per year will be paid from the Operations Checking surplus.

The governing documents and state statute require that owners be provided certain information on an annual basis about the Operating Budget and Reserve Study. This data is enclosed for your information.

Coupons and return envelopes for each quarter of 2022 are enclosed (*except for those of you on our automatic Surepay Plan - in your case, coupons are not needed and your distribution will be deducted automatically*). Please return the larger portion of the coupon for the appropriate month with each payment. **If you are not already using our Surepay system for automatic payments, you might want to consider it now.** This system is not only easier for you it saves the association money on printing and postage.

If you would like an application form, please visit [www.hmcmgt.com](http://www.hmcmgt.com), Click on "Resources", located at the top of the home page, and Click on the "Surepay Application". Complete the fillable form, prior to December 15, 2021 to ensure that your January 2022 payment is made on time.

#### Annual Reminders

- **Delinquencies** –Payments are due on the first day of each Quarter. If the payment is not received by the 15<sup>th</sup> day of the month, the Association will assess a \$15.00 late fee. Please contact management if you encounter problems with your payment schedule.

It has been my pleasure to be of service to you and to your community. I look forward to seeing you at the annual meeting. If you have any questions regarding these materials please contact me. I can be reached via email at [michaelk@hmcmgt.com](mailto:michaelk@hmcmgt.com).

Sincerely,

FOR THE BOARD OF DIRECTORS OF  
PUALANI ESTATES AT KONA

*Michael Kennedy*

Michael Kennedy  
SENIOR MANAGEMENT EXECUTIVE  
Hawaiiana Management Co Ltd

Enclosures: Budget, Cash Flow Plan, Project Data



## Pualani Estates

## Budget Summary

As Of

10/8/21 11:53 AM

Monthly

GL Code	Description	2021 Average	2021 Budget	2022 Budget	Comments
5215	ASSOCIATION DUES	7240	7240	7240	No increase
5190	LEGAL FEE REIMB	952			
5270	INVESTMENT INTEREST	23		23	
5290	CHECKING INTEREST	8		8	
5378	VIOLATIONS	247		62	
5360	LATE CHARGES	214		214	
5753	UNIT SVCS & REPAIRS	2			
	TOTAL OTHR INC	1446		307	
	TOTAL REVENUE	8686	7240	7547	
CONTRACT SERVICES					
6223	DRAINAGE CHANNEL	130		312	Based on 2021 budget
6240	LANDSCAPE(RMG)	456	500	729	Current contract price
6241	CONTRACT-GROUNDS-HEIAU	1127	583	520	Current contract price
6242	CONTRACT-TREES	54	22	45	Current contract price
6280	COQUI CONTROL	390	1916	833	Based on Committee Input
	TOTAL CNTRCT SVCS	2158	3021	2438	
MAINTENANCE					
6556	GROUND-SVCS & SUPPLIES	1	100	23	Based on 2021 average
	TOTAL MAINTENANCE	1	100	23	
PROFESSIONAL SVCS					
6810	ADMIN SUPPLIES & SVCS	2338	1740	833	Reduced budget-reduced inspections
6812	WEBSITE	65	462	21	All numbers are based on 2021 average
6850	MANAGEMENT SVCS	1939	1939	2016	4% increase
6870	AUDIT/PUBLIC ACCOUNTING	166	158	166	Based on contract price
6880	LEGAL FEES GENERAL	4623	1100	1667	Reduced for expected cost in 2022
6882	LEGAL FEES COLLECTIONS	1046	1300	300	Reduced for expected cost in 2022
6890	CONSULTING FEES	42	225	42	Based on 2021 average
6910	PROF & ADMIN SVS-OTHER	91	160	91	Parliamentarian expenses for Board Meeting
	TOTAL PROF. SERVICES	10445	8824	5246	
OTHER EXPENSES					
7315	LIABILITY INSURANCE	340	356	391	15% Increase as per vendor
7326	D AND O INS	259	217	285	10% Increase as per vendor
7330	INSURANCE-FIDELITY	60	62	60	No increase
7556	COMMITTEE - HEIAU	36	269	46	Based on 2021 average
7559	COMMITTEE-ACC/DRC	586	29	208	Based on Committee Input
7566	COMMITTEE-SOCIAL/OUTREACH	76	350	17	Based on Committee Input
7562	COMMUNITY GOVERNANCE	1834	1333	614	Based on Committee Input
7543	ASSOC MEETING EXP	136	417	136	Annual Meeting expenses
7560	NEWSLETTER BUDGET			100	Based on Committee Input
7720	STATE GET	25	34	28	Quarterly payments
	TOTAL OP EXPENSE	15342	15208	9592	
	TRANSFER TO RESERVE			-2045	Shortfall to be paid from Operational Savings account
	TOTAL MONTHLY EXPENSE			7547	

PUALANI ESTATES YEAR 2022 RESERVE PROJECTS AS OF OCTOBER 7, 2021

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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.

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First Plan Year - Calendar	2022	Reference Year	2021	THE MODEL'S FINDINGS FOR % FUNDING			2021 Deficit	CHANGE	CONTRIB	FEE	
Final Plan Year	2041			Recommended Reserve Funding		100%	(242,908)	-251%	(243,408)	-131,469	
2021 Maintenance Fees	86,880	2022 Maint Fees	86,880	Target Reserve Funding Level		50%	(243,158)	-251.32%	(243,408)	-131,469	
2021 Other Income	17,343	2022 Othr Inc	3,681	Minimum Reserve Funding Level		50%	(243,158)	-251%	(243,408)	-131,469	
2021 Operating Expenses	-184,109	2022 Exp	-115,105	EOY 2022 Funding % @ Approved Lev		21834895.68%			(25,059)	86,880	
2021 Reserve Contribution	-79,886	2022 Contributions	-24,544	Condition Codes	Source Codes			Source Codes			
Projected Reserves At Start of 2022	243,408	Target Funding L	50%	EXCELNT	E Contractor Proposal	1	Cost at Similar Project		5		
Projected Reserve % at Start of 2022	48681.7%	Tgt Ann Contrib	63	GOOD	G Contractor Estimate	2	Statistical Guideline		6		
Minimum Inflation	3.0%	Req Contrib-Tgt	(243,096)	FAIR	F Engineer/Arch Estimate	3	Inflate First Year?		Yes		
Projected Savings Interest	0.0%	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	RQMNT	RES	
ENTRANCE SIGNAGE		1	3	2018	120	2022	500		500	243,408	
							500		500	243,408	
2021 End Yr Totals							500	500	243,408	(242,908)	



## Pualani Estates

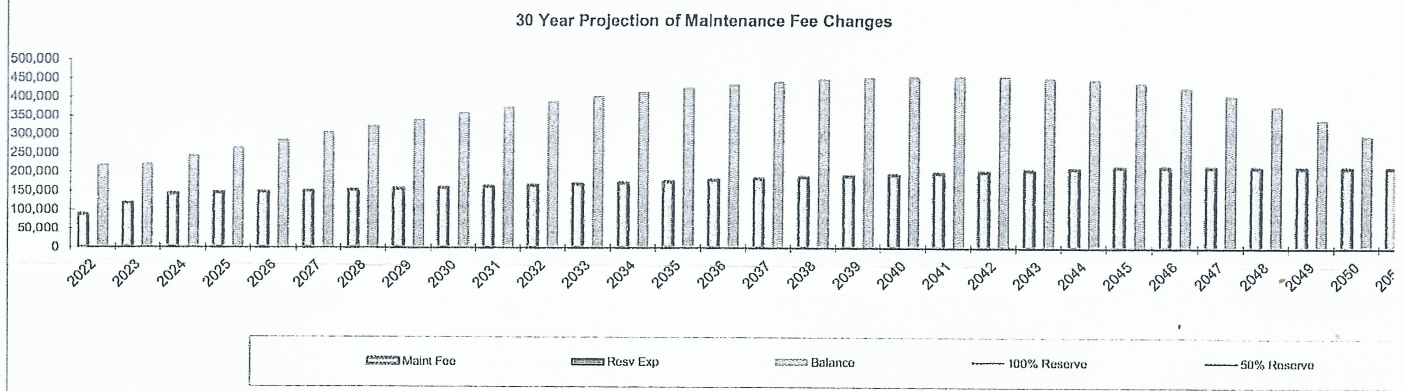
## Board Approved 2022 Cash Flow Plan

Prepared By: Michael Kennedy and Hawaiiana Management Company, Ltd

## Maintenance Fee Plan to Accomplish All Known Improvements and Repairs For Next 30 Years

Assumed Rate of Inflation: 3%

Assumed Savings Interest Rate: 0.005%



## 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.
2022	243,408	515	0	115,105	86,880	3,681	218,349	Included	218,349	0.0%	(25,059)
2023	218,349	0	0	118,559	117,288	3,507	220,586	11	220,597	35.0%	2,237
2024	220,597	0	0	122,115	140,746	3,612	242,839	12	242,851	20.0%	22,243
2025	242,851	563	0	125,779	143,561	3,721	263,790	13	263,803	2.0%	20,940
2026	263,803	0	0	129,552	146,432	3,832	284,515	14	284,529	2.0%	20,712
2027	284,529	0	0	133,439	149,360	3,947	304,398	15	304,412	2.0%	19,869
2028	304,412	615	0	137,442	152,348	4,066	322,769	16	322,785	2.0%	18,356
2029	322,785	0	0	141,565	155,395	4,188	340,802	17	340,818	2.0%	18,017
2030	340,818	0	0	145,812	158,502	4,313	357,822	17	357,840	2.0%	17,004
2031	357,840	672	0	150,186	161,672	4,443	373,096	18	373,115	2.0%	15,257
2032	373,115	0	0	154,692	164,906	4,576	387,905	19	387,924	2.0%	14,790
2033	387,924	0	0	159,333	168,204	4,713	401,508	20	401,528	2.0%	13,585
2034	401,528	734	0	164,113	171,568	4,855	413,104	20	413,124	2.0%	11,576
2035	413,124	0	0	169,036	174,999	5,000	424,088	21	424,109	2.0%	10,964
2036	424,109	0	0	174,107	178,499	5,150	433,652	21	433,673	2.0%	9,543
2037	433,673	802	0	179,330	182,069	5,305	440,915	22	440,937	2.0%	7,242
2038	440,937	0	0	184,710	185,711	5,464	447,401	22	447,424	2.0%	6,465
2039	447,424	0	0	190,252	189,425	5,628	452,225	22	452,248	2.0%	4,801
2040	452,248	876	0	195,959	193,214	5,797	454,423	23	454,445	2.0%	2,175
2041	454,445	0	0	201,838	197,078	5,971	455,656	23	455,679	2.0%	1,211
2042	455,679	0	0	207,893	201,019	6,150	454,955	23	454,977	2.0%	(724)
2043	454,977	957	0	214,130	205,040	6,334	451,265	23	451,287	2.0%	(3,713)
2044	451,287	0	0	220,554	209,141	6,524	446,398	22	446,421	2.0%	(4,889)
2045	446,421	0	0	227,170	213,323	6,720	439,294	22	439,316	2.0%	(7,127)
2046	439,316	1,046	0	233,986	213,323	6,922	424,530	22	424,551	0.0%	(14,786)
2047	424,551	0	0	241,005	213,323	7,129	403,999	21	404,020	0.0%	(20,532)
2048	404,020	0	0	248,235	213,323	7,343	376,451	20	376,470	0.0%	(27,569)
2049	376,470	1,143	0	255,682	213,323	7,563	340,532	18	340,550	0.0%	(35,938)
2050	340,550	0	0	263,353	213,323	7,790	298,311	16	298,327	0.0%	(42,239)
2051	298,327	0	0	271,253	213,323	8,024	248,421	14	248,435	0.0%	(49,906)