

Princeville at Hanalei Community Association

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May 1, 2003

Aloha Princeville Property Owner:

During times of higher costs from gasoline to groceries, it is great to know that the PHCA Homeowners assessment will not increase in the fiscal period of July 1, 2003 thru June 30, 2004. The assessment will remain at \$0.0379 per square foot of property area.

Recently, the PHCA Budget Committee made up of Mike Taylor, Murray Hudson, Bob Doyle and I, met to review the current budget, expenses and the proposed changes. The new budget, attached for your perusal, was submitted to the PHCA Board of Directors and unanimously approved. I thank Mike Taylor for his input based on his wealth of experience as the past PHCA Treasurer and Board member; Murray Hudson for his tenacious review of each figure; and Bob Doyle for his insight and questions as a new homeowner and resident in our community.

The Budget Committee and Board want to thank Rohit Mehta, our General Manager, and his staff for the wonderful job they have done in controlling costs over the past year. As you will see from your own review of the budget and year-to-date expenses, there were savings in a number of line items including Legal, Maintenance, Meetings, Miscellaneous, Printing and Rent, with increases in Health Insurance, Payroll, Payroll Taxes, Utilities, and most significant, Road Maintenance.

While we have good control of the next fiscal period expenses and have a comfortable reserve, our main concern is the increasing cost of Road Maintenance for the future. We have a projected plan done by one of the most highly respected road engineers in the State, but it is evident certain roadways may require attention earlier than expected. In addition, road-paving costs are coming in significantly higher than anticipated. We will keep you informed as we gather more up-to-date information on costs.

Please let us know of any questions you may have, as well as comments.

Mahalo,

**Tom Bartlett
PHCA Treasurer**

Princeville Community Association FY 2003/2004 Budget

	2002/03 Budget	2002/03 Actual as of 3/31/03	2002/03 Year End Projected
Expense			
Advertising/PR/Internet	\$1,000	\$944	\$1,000
Audit/Accounting	\$6,500	\$6,146	\$6,500
Bad Debt	\$3,000	\$0	\$0
Bank Charges	\$150	\$358	\$400
Dues/Subscriptions	\$1,500	\$720	\$800
Equipment Repair/Maintenance	\$7,500	\$2,888	\$5,000
Equipment Lease	\$1,200	\$928	\$1,200
Insurance	\$122,074	\$109,043	\$122,452
Legal	\$35,000	(\$759)	\$10,000
Licenses/Fees	\$45	\$85	\$85
Maintenance Other than Road	\$12,000	\$584	\$900
Meetings	\$4,350	\$1,825	\$2,000
Miscellaneous	\$15,000	\$120	\$300
Notary/Bureau of Conveyances	\$1,000	\$750	\$1,000
Payroll Expenses	\$381,100	\$298,833	\$398,444
Payroll Taxes	\$30,685	\$27,055	\$36,073
Penalties/Late Fees	\$0	\$29	\$29
Posage/Freight	\$8,500	\$6,012	\$8,500
Printing Expense	\$12,000	\$2,122	\$12,000
Professional Services	\$5,000	\$3,629	\$5,000
Rent	\$28,000	\$16,667	\$20,000
Road	\$169,353	\$23,516	\$247,600
Supplies	\$10,000	\$9,018	\$10,000
Taxes	\$6,500	\$5,204	\$6,500
Telephone	\$13,500	\$9,031	\$13,500
Training/Education	\$1,000	\$643	\$1,000
Uniforms	\$2,000	\$754	\$800
Utilities	\$9,000	\$8,508	\$11,345
Vehicles	\$15,700	\$9,914	\$13,607
Capital Purchases	\$80,000	\$14,073	\$15,000
Beginning General Res Bal		\$276,937	\$276,937
Ending General Res Bal		\$447,098	\$313,268
Addition to General Reserve	(\$95,100)	\$170,161	\$36,331
Beginning Road Res Bal		\$322,584	\$322,584
Ending Road Res Bal		\$482,922	\$244,848
Addition to Road Reserve	\$0	\$160,338	(\$77,736)
Total Expense with Road Exp.	\$887,557	\$889,139	\$909,630
Total Expense without Road Exp.	\$718,204	\$705,284	\$739,766

Princeville Community Association FY 2003/2004 Budget

	2002/03 Budget	2002/03 Actual as of 3/31/03	2002/03 Year End Projected
Income			
Association Dues-Operating	\$659,755	\$656,463	\$656,463
Association Dues- Road Reserve	\$169,353	\$169,864	\$169,864
Design Committee Income	\$20,000	\$19,704	\$22,000
Phase II Park Reimbursement	\$10,000	\$8,544	\$10,000
Gain/Loss Sale of Asset	\$0	\$0	\$0
Patrol Services Rendered	\$2,500	\$1,875	\$2,500
Transfer Fees	\$2,500	\$4,675	\$4,800
Dividends Earned	\$150	\$0	\$0
Interest on Association Dues	\$1,800	\$2,273	\$3,031
Interest Earned	\$19,500	\$16,179	\$21,572
Other Income	\$1,000	\$17,817	\$18,000
Fines Assessed	\$1,000	\$1,300	\$1,400
Total Income	\$887,558	\$898,695	\$909,630

Assessment Rate	0.0379	\$ per sq.ft.
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Princeville Community Association FY 2003/2004 Budget

2003/04

Budget

2003/04

Budget

Expense

Advertising/PR/Internet	\$1,000
Audit/Accounting	\$6,500
Bad Debt	\$3,000
Bank Charges	\$400
Dues/Subscriptions	\$800
Equipment Repair/Maintenance	\$6,000
Equipment Lease	\$1,200
Insurance	\$128,575
Legal	\$20,000
Licenses/Fees	\$85
Maintenance Other than Road	\$5,000
Meetings	\$2,000
Miscellaneous	\$7,000
Notary/Bureau of Conveyances	\$1,000
Payroll Expenses	\$410,397
Payroll Taxes	\$37,155
Penalties/Late Fees	\$0
Posage/Freight	\$7,000
Printing Expense	\$7,000
Professional Services	\$5,000
Rent	\$21,000
Road	\$266,000
Supplies	\$10,000
Taxes	\$6,500
Telephone	\$13,500
Training/Education	\$1,000
Uniforms	\$800
Utilities	\$12,000
Vehicles	\$15,000

Capital Purchases	\$5,000
Beginning General Res Bal	\$313,268
Ending General Res Bal	\$150,000
Addition to General Reserve	(\$163,268)
Beginning Road Res Bal	\$244,848
Ending Road Res Bal	\$300,000
Addition to Road Reserve	\$55,152

Total Expense with Road Exp. \$891,796

Total Expense without Road Exp. \$570,644

**Princeville Community Association
FY 2003/2004 Budget**

2003/04
Budget

Income

Association Dues-Operating	\$508,844
Association Dues- Road Reserve	\$321,152
Design Committee Income	\$22,000
Phase II Park Reimbursement	\$10,000
Gain/Loss Sale of Asset	\$0
Patrol Services Rendered	\$2,500
Transfer Fees	\$4,800
Dividends Earned	\$0
Interest on Association Dues	\$2,500
Interest Earned	\$18,000
Other Income	\$1,000
Fines Assessed	\$1,000
Total Income	<u>\$891,796</u>

Assessment Rate \$ per sq. ft.
