

# Princeville at Hanalei Community Association

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May 15, 2005

Aloha Property Owner:

Enclosed is a copy of the approved Princeville at Hanalei Community Association (PHCA) annual budget for July 1, 2005 to June 30, 2006. Your assessment will remain unchanged for this fiscal period at \$0.0389 per square foot of property.

The Budget Committee included Mike Taylor, Murray Hudson, Rory Enright and myself. I would like to thank Mike, Murray and Rory for serving on the Committee. Rohit Mehta, the PHCA General Manager, did a great job of preparing the information, allowing the Budget Committee to have in-depth discussions about expenses, operating contingencies and reserves in order to establish the proposed budget. This budget was approved at the April 21, 2005 Board of Directors meeting.

One of the most significant increases for 2005/2006 will be the PHCA office rent of over 200% going from \$1500 to \$4800 per month. This critical change has motivated the Board to again consider the feasibility of constructing a Community Center which will also house our administrative offices. Based on this, the budget reflects a new "Building Fund" of \$100,000 which was created using the projected surplus from this current fiscal year of \$45,000 and reducing the level of the General Reserve from previous years to \$95,000. The current year surplus arose due primarily to: (a) an increase in income from Plan Review Fees; (b) an increase in the square footage assessed for the Hotel; and (3) a decrease in payroll expenses due to difficulties in hiring maintenance personnel. The idea is to build a fund over the next couple of years with sufficient monies to partially offset the cost of constructing the facility. If plans for the Community Center do not go forward, the Building Fund will be abolished and the monies will be credited to future assessments and used to replenish the General Reserves, if necessary. Shortly, a committee will be formed to study the feasibility of creating a Community Center and to formulate a plan which will be presented to the Association Membership for approval.

Should you have questions, feel free to direct them to the PHCA Board of Directors or Rohit Mehta, PHCA General Manager.

On a side note, all owners are welcome to attend Board of Director meetings held at 3:00 p.m. on the third Thursday of each month. In addition, elections take place this Fall for two seats on the Board. If you are interested in being on the Board and running for election, please let a Board member know.

Sincerely,

Tom Bartlett  
PHCA Treasurer  
Princeville—the best place to live in the world!

Princeville Community Association  
FY 2005/2006 Budget

	2004/05 Budget	2005/06 Budget
<b>Expenses</b>		
Advertising/PR/Internet	\$1,500	\$1,800
Audit/Accounting	\$8,000	\$9,000
Bad Debt	\$1,000	\$1,000
Bank Charges	\$200	\$350
Dues/Subscriptions	\$400	\$1,100
Equipment Repair/Maintenance	\$4,000	\$4,000
Equipment Lease	\$1,200	\$1,500
Insurance		
Auto	\$2,378	\$3,483
General Business	\$52,046	\$52,371
Health	\$55,827	\$56,781
TDI	\$2,120	\$2,226
Workers Comp	\$17,599	\$19,597
Total Insurance	\$129,970	\$134,458
Legal	\$20,000	\$15,000
Maintenance (other than Road)	\$5,000	\$5,000
Meetings	\$2,000	\$3,500
Miscellaneous	\$12,085	\$30,000
Notary/Bureau of Conveyances	\$2,000	\$2,000
Payroll Expenses	\$418,138	\$390,129
Payroll Taxes	\$38,474	\$33,343
Penalties/Late Fees	\$200	\$200
Posage/Freight	\$6,000	\$7,000
Printing Expense	\$5,000	\$5,000
Professional Services	\$3,000	\$13,000
Rent	\$26,000	\$65,250
Road Maintenance	\$200,000	\$200,000
Supplies	\$10,000	\$10,000
Taxes	\$6,500	\$5,000
Telephone	\$13,500	\$13,500
Training/Education	\$500	\$500
Uniforms	\$500	\$1,000
Utilities	\$12,707	\$13,433
Vehicle Expenses	\$13,000	\$15,022
Capital Purchases	\$5,000	\$12,500
Building Fund	\$0	\$100,000
Beginning General Res Bal		\$283,234
Ending General Res Bal		\$95,000
Addition to General Reserve	(\$21,677)	(\$188,234)
Beginning Road Res Bal		\$282,296
Ending Road Res Bal		\$300,000
Addition to Road Reserve	(\$9,727)	\$17,704

Princeville Community Association  
FY 2005/2006 Budget

	<b>2004/05 Budget</b>	<b>2005/06 Budget</b>
<b>Total Expense with Road Exp.</b>	<u>\$914,470</u>	<u>\$923,056</u>
<b>Total Expense without Road Exp.</b>	<u>\$724,197</u>	<u>\$705,351</u>
 <b>Income</b>		
Association Dues-Operating	\$661,998	\$656,551
Association Dues- Road	\$190,273	\$217,704
Design Committee Income	\$23,400	\$10,000
Phase II Park Reimbursement	\$10,000	\$10,000
Gain/Loss Sale of Asset	\$0	\$0
Patrol Services Rendered	\$2,500	\$2,500
Transfer Fees	\$4,800	\$4,800
Dividends Earned	\$0	\$0
Interest on Association Dues	\$2,500	\$2,500
Interest Earned	\$12,000	\$12,000
Other Income	\$2,000	\$2,000
Fines Assessed	\$5,000	\$5,000
<b>Total Income</b>	<u>\$914,471</u>	<u>\$923,056</u>
Square Footage	22,473,502	
Assessment Rate	0.0389	
% Increase	0.00%	