

# MAHANALUA NUI HOMEOWNERS ASSOCIATION

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November 27, 2019

Dear Homeowner,

At the last Board meeting of the Mahanalua Nui HOA Board of Directors, the 2020 budget was approved. As a result, the Board of Directors also approved an increase in our monthly dues from \$138/month to \$175/month effective January 1, 2020.

During the process of analyzing our financial performance, it was made clear that our allocation of monthly revenue needed reconciling. Not enough funds were coming in to cover monthly operating expenses and too much was being allocated to reserve funds. After completing an extensive reserve study, we are now confident of the funds necessary to meet our monthly reserve needs. The remaining funds available still showed a deficit to meet monthly operating expenses and as a result, the increase in dues was established.

It's important to note that since the inception of our HOA, this is only the 2<sup>nd</sup> time dues have been increased. While this 26.8% increase is substantial, it represents the HOA correcting years of increases in operating expenses. It also helps to prevent special assessments for projects such as culvert cleaning, evacuation route construction and roadway repairs.

Since the hiring of Hawaiiana Management Company in February 2018, the accounting procedures for our HOA have been a main priority. Issues from our previous management company have been corrected and our financial picture is in much better focus with the improvement of our accounting procedures. As a result, we have been able to update our forecasting with greater confidence and accuracy. To this point, we expect a consistent increase in operating expenses and have prepared our 2020 budget to reflect these anticipated costs.

With continued rising costs, an increased amount of homeowners and an aging infrastructure the cost to maintain our community will certainly continue to be impacted. However, we are proud to maintain one of the lowest monthly dues for a community such as ours anywhere on Maui and will continue to strive to keep our community as well run as possible every year.

Should you have any questions about the 2020 operating budget please bring them to our next Board meeting in January or submit them via email to [craigb@hmcmtg.com](mailto:craigb@hmcmtg.com)

Aloha,

Steven Iverson  
President  
Mahanalua Nui HOA